

The ASEAN



one vision
one identity
one community

ISSUE 21 (2022)

Promoting Decent Work and Protecting Informal Workers



ISSN 2721-8058



THE INSIDE VIEW
The Path Towards
Formal Employment

CONVERSATIONS
On Informal Work and
Small Businesses

VIEWPOINT
Philippine Tourism Secretary
Bernadette Romulo-Puyat



○ Ministerial Bodies

*) takes guidance from and reports to both AMCA and AMRI

AMRI-ASEAN Ministers Responsible for Information

AMCA-ASEAN Ministers Responsible for Culture and Arts

AMMY-ASEAN Ministerial Meeting on Youth

ASED-ASEAN Education Ministers Meeting

AMMS-ASEAN Ministerial Meeting on Sports

AMRDPE-ASEAN Ministers on Rural Development and Poverty Eradication

AMMSWD-ASEAN Ministerial Meeting on Social Welfare and Development

AMMW-ASEAN Ministerial Meeting on Women

ALMM-ASEAN Labour Ministers Meeting

ACCSM-The Heads of Civil Service Meeting for ASEAN Cooperation on Civil Service Matters

AHMM-ASEAN Health Ministers Meeting

AMMDM-ASEAN Ministerial Meeting on Disaster Management

COP-AADMER-Conference of the Parties to the ASEAN Agreement on Disaster Management and Emergency Response

AMME-ASEAN Ministerial Meeting on Environment

COP to AATHP-Conference of the Parties to the ASEAN Agreement on Transboundary Haze Pollution

SOMCA-Senior Officials Meeting on Culture and Arts

COCI-The ASEAN Committee for Culture and Information

SOMRI-Senior Officials Meeting Responsible for Information

SOMY-Senior Officials Meeting on Youth

SOMED-Senior Officials Meeting on Education

SOMS-Senior Officials Meeting on Sports

SOMRDPE-Senior Officials Meeting on Rural Development and Poverty Eradication

SOMSWD-Senior Officials Meeting on Social Welfare and Development

ACWC-ASEAN Commission on the Promotion and Protection of the Rights of Women and Children

ACW-ASEAN Committee on Women

SLOM-Senior Labour Officials Meeting

SOM-ACCSM-Senior Officials Meeting on ASEAN Cooperation on Civil Service Matters

SOMHD-Senior Officials Meeting on Health Development

ASOEN-ASEAN Senior Officials on the Environment

COM to AATHP-Committee under the Conference of Parties to the ASEAN Agreement on Transboundary Haze Pollution

In This Issue

Informal Economy

The Inside View

- Informal Workers: Why Their Inclusion and Protection are Crucial to the Future of Work** **12**
Mega Irena, ASCC Labour and Civil Service Division
- Informal Employment Facts and Figures** **16**
- Older Women Workers in Southeast Asia's Informal Economy** **18**
Laura Alfars and Aura Sevilla, WIEGO
- Artisans in Cambodia: From Vulnerable to Empowered** **22**
Men Sinoeun, Artisans' Association of Cambodia
- Destination: ASEAN Tracking Tourism in the Region** **32**
- How Do ASEAN Member States Define MSMEs?** **38**
- Adapt, Upskill, and Excel: Enhancing the Development of SME Productivity, Technology, and Innovation Through the ASEAN SME Academy** **40**
Ambassador Michael W. Michalak, US-ASEAN Business Council

Viewpoints

- Dr. Ida Fauziyah** **6**
Minister of Manpower of the Republic of Indonesia and Chair, ASEAN Labour Ministers Meeting for 2020-2022
- Bernadette Romulo-Puyat** **26**
Secretary of Tourism of the Republic of the Philippines
- Dato' Suriani Binti Dato' Ahmad** **34**
Secretary-General, Ministry of Entrepreneur Development and Cooperatives, Malaysia and Chair, ASEAN Coordinating Committee on Micro, Small and Medium Enterprises

Conversations

- Bogi Dewanto** **43**
Taxi driver
- Hoang Trong Giac** **44**
Tour guide and tour operator
- Ketut Putra Yasa** **45**
Driver and tour guide
- Marie Ashley E. Mendoza** **46**
Food business proprietor
- Ilaw Llanza Rosimo** **47**
Specialty store owner

Shifting Currents

- Unleashing the Power of Women Entrepreneurs** **49**
Chusana Han, ASCC Poverty Eradication and Gender Division
- Clean Air and Clean Water for ASEAN: ASEAN-US Science Prize for Women 2021** **53**
Kiran Sagoo and Pricilia Putri Nirmala Sari, ASCC Analysis Division
- ASEAN-India Cooperation on Energy Transition** **57**
Beny Suryadi, ASEAN Energy Centre
- Opportunities for the UK-ASEAN Partnership in 2022** **60**
Natalie Black CBE, Her Majesty's Trade Commissioner for Asia Pacific and UK Senior Economic Official to ASEAN, Jon Lambe, UK Ambassador to ASEAN
- Snapshots**
- The ASCC Council Holds its 27th Meeting** **64**
Joanne B. Agbisit, The ASEAN
- Forging History: Metals in the Crucible of ASEAN's Transformation** **66**
Gladys Respati
- Forging Metals, Shaping Identities** **68**
Girard Philip E. Bonotan

The ASEAN

Secretary-General of ASEAN
Dato Lim Jock Hoi

Deputy Secretary-General of ASEAN for ASEAN Socio-Cultural Community (ASCC)
Ekkaphab Phanthavong

EDITORIAL BOARD

Directors of ASCC Directorates
Rodora T. Babaran, Ky-Anh Nguyen

Assistant Directors of ASCC Divisions
Benjamin Loh, Chusana Han, Ferdinal Fernando, Jonathan Tan, Mega Irena, Riyanti Djalante, Roger Yap Chao Jr., Vong Sok

EDITORIAL TEAM

Editor-in-Chief
Mary Kathleen Quiano-Castro

Associate Editor
Joanne B. Agbisit

Senior Officer, Analysis Division
Kiran Sagoo

Officer, Analysis Division
Pricilia Putri Nirmala Sari

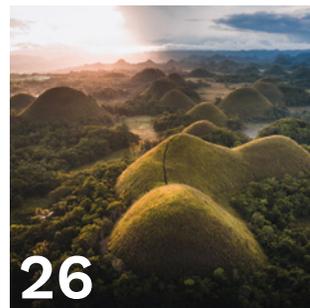
EDITORIAL ADDRESS

The ASEAN Secretariat
ASEAN Socio-Cultural Community Department
Jalan Sisingamangaraja 70A
Jakarta 12110, Indonesia
Tel: 62-21-7262991
E-mail: ASCCAD@asean.org

ISSN 2721-8058



6



26



one vision
one identity
one community

Note from the Editorial Team

There are about 244 million informal workers in the ASEAN region. They are farmhands who till the land; day labourers at construction sites; cooks in our favourite food stalls; artisans and weavers; couriers who deliver our much-awaited online purchases; domestic helpers who tidy up our daily lives.

They are everywhere, but often, we do not see them. Informal workers often fall through the cracks of social protection and are vulnerable to crises and disruptions. In this edition, *The ASEAN* delves into multi-dimensional approaches to help provide decent work to informal workers and transition them to formal employment.

Indonesian Manpower Minister and Chair of the current ASEAN Labour Ministers Meeting (ALMM) Dr. Ida Fauziyah highlights the importance of clearly defining and addressing the social security needs of informal workers. Other contributors stress the need to help workers acquire the right skills for jobs of the future and provide them with entrepreneurial opportunities, particularly in the digital economy.

Micro, small, and medium enterprises (MSMEs) form the backbone of ASEAN economies and provide jobs to millions. Dato’ Suriani Binti Dato’ Ahmad, Secretary-General of Malaysia’s Ministry of Entrepreneur Development and Cooperatives, talks about building competitiveness and resilience in MSMEs to promote growth and provide decent employment.

Tourism, which employs millions of informal workers, has been one of the hardest-hit sectors by the pandemic. Philippine Tourism Secretary Bernadette Romulo-Puyat explains how the Philippines’ tourism industry helped establishments and workers cope with prolonged lockdowns and travel restrictions.

In our Conversations sections, we hear from tourism workers, small business owners, and gig workers who are slowly trying to recover from the pandemic’s harsh socio-economic impact. ■

Related Issues:



https://bit.ly/TheASEAN_V2



Future of Work
(June 2020)



https://bit.ly/TheASEAN_V3



Social Protection
(July 2020)



https://bit.ly/TheASEAN_V17-18



Creative Economy
(October–November 2021)



bit.ly/TheASEAN_V19-20



Rural Development
(December 2021–January 2022)

 @theasean_magazine

 @theaseanmagazine

 @asean_magazine

 theaseanmagazine.asean.org

THE INSIDE VIEW

- ASEAN's efforts to protect informal workers
- The path towards formal employment
- Strengthening micro, small, and medium enterprises
- Tourism in a pandemic and the road to recovery

Viewpoint:

DR. IDA FAUZIYAH

Minister of Manpower of the Republic of Indonesia and Chair, ASEAN Labour Ministers Meeting (ALMM) for 2020-2022

Minister Ida Fauziyah talks to *The ASEAN* about Indonesia's strategies for formalising work arrangements in Indonesia, the opportunities and threats presented by digitalisation on the country's informal sector, and efforts to address gaps in measuring and analysing informal employment. She also discussed the ongoing work of the ASEAN Labour Ministers Meeting to promote decent work and extend social protection to informal workers in the region.

Informal employment remains high in the many ASEAN Member States, including Indonesia. Can you share with us the strategies employed by the Indonesian government to ensure the transition of informal employment to formal employment, especially in micro, small, and medium scale enterprises (MSMEs)? What are the outcomes of these strategies? What are the remaining challenges?

Minister Ida Fauziyah: In general, the percentage of Indonesian informal workers from 2010 to 2021 shows a declining trend, from 66.93 per cent to 59.45 per cent, respectively. Although in 2020, there was an increase in the percentage of informal workers due to the COVID-19 pandemic, this percentage was successfully lowered again in 2021. This demonstrates that pandemic conditions have no impact on the rate of formalisation of the Indonesian worker structure in the long term.

There are several obstacles to reducing the informalisation of Indonesian workers, as follows:

- i. The low level of education of Indonesian informal sector workers. Around 76.11 per cent of the total 72.66 million workers with a junior high school education or less work in the informal sector (Statistics Indonesia or *Badan Pusat Statistik/BPS*, 2021). This indicates that workers with low education have relatively more difficulty entering the formal sector.



- ii. The challenge of informal workers' low level of education mentioned previously is complicated by the shifting need for work skills due to digitalisation. The World Economic Forum (2020) study shows that the skills needed in the future tend to be possessed by workers with relatively higher skills or education and mastery of digital technology, such as data scientists, data analysts, programmers, digital marketing, big data skills, strategic analysts, etc.
 - iii. The difficulty of encouraging labour formalisation in the agricultural sector. Of the total 37.13 million workers in the agricultural sector, around 88.43 per cent are informal workers (BPS, 2021).
 - iv. The difficulty of encouraging the formalisation of labour in rural areas. Around 72.41 per cent of 59.13 million rural workers are unemployed (BPS, 2021).
 - v. Female workers are more likely than male workers to become informal workers. Approximately 63.80 per cent of the total 51.79 million female workers are informal workers. Meanwhile, out of 79.26 million male workers, only about 56.61 per cent are informal workers (BPS, 2021).
 - vi. The manufacturing industry faces difficulties in absorbing formal-sector workers. As is well known, the manufacturing industry has contributed significantly to the formalisation of the workforce. Of the total 18.69 million workers in the manufacturing sector, around 62.41 per cent are formal workers (BPS, 2021). However, the manufacturing industry's contribution to Indonesia's Gross Domestic Product (GDP) shows a decline. In 2015, the contribution of the manufacturing industry to Indonesia's GDP reached 20.84 per cent. This percentage decreased to 19.71 per cent in 2019 and 19.25 per cent in 2021 (BPS, several years).
 - vii. Informal sector workers outside Java also tend to be higher.
- The Government of Indonesia has prepared a concrete strategy to address these challenges. The result has been a drop in the percentage of unemployed workers in 2021 despite the ongoing pandemic. From the demand side, the government carries out the following:
- i. The Government adapts the strategy from Law Number 11/2020 on Job Creation. This law aims to increase job opportunities (particularly in the formal sector) by facilitating business

transactions; protecting and empowering cooperatives and micro, small, and medium enterprises; improving the investment ecosystem; and central government investment and acceleration of national strategic projects. This is done to boost our worldwide competitiveness in attracting investors and formal employment development.

- ii. Apart from the regulatory aspect, the government also provides other incentives for businesses to be able to create formal employment through a variety of development programmes, including infrastructure development (toll and non-toll roads, electricity, airports, clean water, etc.), capital assistance through Business Credit Assistance (*Kredit Usaha Rakyat* or KUR), village funds for rural agricultural economic development, and tax incentives for businesses.
- iii. In the employment sector, special protection is provided in the form of a fairer minimum wage for workers and employers. The Wage Subsidy Assistance (*Bantuan Subsidi Upah* or BSU) helps ease the burden on businesses during the pandemic and prevent formal employment from eroding. There is also special protection for workers in micro and small businesses, which include wages that must be paid above the poverty line and a severance payment when employment is terminated.
- iv. Furthermore, the government is also increasingly complementing employment social security. In addition to work accident insurance, death insurance, pension insurance, and old-age insurance, Indonesia currently also offers job loss insurance. This guarantee provides cash benefits, job market information, and job training benefits. This is to ensure that workers who are terminated will have better chances of re-entering the formal sector.

From the supply side, the government promotes innovative programmes, such as pre-employment cards, independent learning programmes, competency-based training, community-based vocational



training, training of prospective migrant workers, apprenticeships, and the development of young talents to improve the skills of the Indonesian workforce. All of these are done so that Indonesian workers' skills can keep up with market demand and workers can have more opportunities to work in the formal sector.

These incentives have a significant impact on job creation. Data from the Investment Coordinating Board shows that domestic investment increased by 8.1 per cent and foreign investment increased by 10 per cent in 2021. The total Indonesian workforce absorbed as a result of this investment reached 2,364,254 people in the period 2020 and 2021 (Indonesian Investment Coordinating Board, 2022). In addition, the number of active participants in employment social security also continued to increase during the pandemic. In 2020, out of a total of 128.45 million workers, around 23.34 per cent are active participants of the Social Security Agency for Employment. This percentage increased to 23.40 per cent of the total 131.05 million working population in 2021 (BPS and Social Security Agency for Employment).

Several studies, including the recent *Regional Study on Informal Employment Statistics to Support Decent Work Promotion in ASEAN*, have recommended that the ASEAN Member States adopt an operational definition of informal employment and conduct regular collection and analysis of informal employment statistics for more targeted interventions. What progress has been made to implement these recommendations in Indonesia?

Minister Ida Fauziyah: *First*, we should re-examine the definition of informal employment proposed in the study. By definition, informal employment includes i) workers who do not have access to at least one social security scheme or *employment benefit*; or ii) workers with at least one social security or employment benefit, but are self-employed or have self-owned informal enterprises; family or unpaid



“ From the supply side, the government promotes innovative programmes such as pre-employment cards, independent learning programmes, competency-based training, community-based vocational training, training of prospective migrant workers, apprenticeships, and the development of young talents to improve the skills of the Indonesian workforce. ”

workers; self-employed workers who produce goods for their own/or their household; or workers who are not paid during annual leave, sick leave, and maternity/maternity leave. Agricultural sector work is not counted as informal employment.

Second, until now, the government has relied on the Statistics Indonesia definition of informal workers' role in national development, particularly the

National Mid-Term Development Plan (*Rencana Pembangunan Jangka Menengah Nasional* or RPJMN) and government work plan (*Rencana Kerja Pemerintah* or RKP) objectives. The definition of informal workers from Statistics Indonesia includes the following: i) self-employed, ii) self-employed assisted by non-permanent workers, iii) casual workers in agriculture, iv) casual workers in non-agriculture, v) family/unpaid workers.

The definitions offered in the regional study and by the BPS show apparent similarities as follows: i) groups of self-employed and employers who work in their informal businesses, and self-employed workers who produce goods for their needs/or their households, which are included in the regional study are more or less in line with the BPS definition, such as groups of self-employed, trying to be assisted by workers/non-permanent workers, and casual workers in non-agricultural BPS version; ii) groups of family/unpaid workers are included in both definitions.

A very striking difference in the definitions is the access to one type of social security or *employment benefit*. In light of this distinction, it is important to clarify if “social security,” in this context, also refers to health insurance. Indonesian formal workers are estimated to be just 23.40 per cent if access to employment social security is confined to active participants.

As a result, Indonesia must exercise extreme caution and thoroughly examine the definitions presented in the regional study. The definition is important because it will decide how Indonesia’s labour market develops. Therefore, an in-depth study of this proposed definition is very important considering that:

- i. Along with the demographic bonus, Indonesia has the largest workforce in ASEAN that will reach 140.15 million people in 2021 (BPS, 2021).
- ii. From the ethical point of view of public policy, it is not appropriate if agricultural informal workers are excluded as informal workers. This is an important matter considering that 28.33 per cent of Indonesian workers are engaged in the agricultural sector (BPS, 2021). In addition, considering that the agricultural sector tends to be in rural areas, the relatively high poverty rate, at 12.53 per cent, also needs to be taken into consideration (BPS, 2021).
- iii. It is necessary to calculate the additional burden on the informal micro, small, and medium scale

- business sector, as well as the State/Regional Budget (APBN/APBD) fiscal space if the effort to pursue the formalisation of workers is carried out through the active participation of social security.
- iv. Digitalisation facilitates the development of independent workers or entrepreneurs by making working connections more fluid. In fact, these workers are included in the group of informal workers when referring to the definition used in the regional study.

According to the BPS definition of informal workers, Indonesia already has a database that is updated twice a year through the National Labor Force Survey. This information is provided at the provincial, district, and city levels. Of course, other data sources related to the dynamics of the discourse on the definition of informal workers, such as Social Security Agency for Employment data on wage and non-wage recipients, data for formal/informal migrant workers based on job order characteristics, or data for formal/informal migrant workers based on internal or external criteria, are supplemented by these data.

Based on all the explanations above, so far, the national development agenda regarding the reduction of Indonesian informal workers still adheres to the definition from BPS.

Progress has been made to implement the regional study’s recommendations on informal employment statistics to support decent work promotion in ASEAN, as follows:

- i. Strengthening database on informal employment. Indonesia continues to update the statistical database of informal workers, in addition to getting more real data based on conditions in the field. The Ministry of Manpower has created a digital employment ecosystem that can be used to build a database of workers in the informal sector. Indonesia has one employment data that is ready to work.

- ii. Inter-agency committee on informal employment. The Ministry of Manpower collaborated with the Ministry of Education and Culture; Ministry of Cooperatives, Micro, Small and Medium Enterprises; regional governments; universities; and companies on a region-based job opportunities expansion programme.
- iii. Formalising the operational definition of informal employment. Indonesia’s definition of informal employment is explained in the previous section.
- iv. Improving country reports on informal employment. Indonesia has a National Labor Force Survey (*Survey Angkatan Kerja Nasional* or *Sakernas*) which is conducted every semester.
- v. Institutionalising the use of informal employment statistics. Statistical data related to informal sector workers produced by BPS always serve as a reference and as a basis for analysis in policymaking, programme intervention, and the adjustment of Indonesian regulations.
- vi. Establishment of the regional database. Indonesia already has regional-based data within the scope of provinces and districts/cities.
- vii. Expanding the list of informal employment indicators in the future. The probability of expanding the indicators of informal sector workers in the future will certainly remain in line with the dynamics of the informal sector that continues to change, especially due to digitalisation.

What are the opportunities and challenges presented by digitalisation in the informal sector of Indonesia and this region? What can be done to promote the well-being of the growing number of workers in online platforms and other digital-based enterprises?

Minister Ida Fauziyah: Advancements in digital technology have driven the growth of the digital economy with a distinctive pattern of work relations. The digital economy, especially through digital platform workers, has eliminated certain types of jobs, but created new ones. In addition, the COVID-19 pandemic

situation has encouraged various sectors to adapt quickly to changes in people's habits. Conventional activities are now carried out with digital systems, such as shopping, payment transactions, and transportation, and many have switched to using digital technology. In response to this, the Government of Indonesia will certainly be open to the possibility of improving regulations and adapting to changes to support the welfare and protection of workers.

McKinsey (2016) stated that Indonesia has the opportunity to increase the value of the national economy to reach 150 billion US dollars by 2025 due to digitalisation. This is the effect of three things: an increase in the level of labour force participation due to the digitisation process, an increase in productivity through digitalisation, and the cumulative potential related to economic sectors that grow due to digitalisation. A recent study from East Ventures (2022) also shows that Indonesia's digital economy will reach 4,531 trillion rupiah in 2030. This is because 73.3 per cent of Indonesia's population currently uses the internet; the income from e-commerce businesses grew by 24.4 per cent in 2021; and online shopping increased from 17.5 per cent before the period pandemic to 25.5 per cent after the pandemic. All of these show that Indonesia has tremendous opportunities in developing the digital economy.

However, the World Bank study (2021) actually reminds us that there are still problems and challenges related to the digital divide. The said study shows that, in fact, only 1.2 million Indonesian workers can actually be categorised as digital gig workers. They are usually relatively young (mean age is 35 years), 87 per cent are in urban areas, 74 per cent have upper secondary education, and 85 per cent are male. The exclusivity of the digital economy in urban areas also aligns with the results of the East Ventures study (2022) which shows that Jakarta province ranked first in the digital competitiveness index for two consecutive years, 2021 and 2022.

“ The ASEAN Labour Ministers' Work Programme 2021-2025 expects to attain four key result areas: skilled and adaptable workforce; productive employment; harmonious, safe, and progressive workplace; and expanded social protection. ”

In fact, it has been mentioned previously that informal workers in Indonesia tend to be higher in rural areas and the most vulnerable are workers with relatively low education and women. All of these show that Indonesia has a lot of homework to do to encourage inclusiveness in the digital economy era, especially in relation to the existence of businesses and informal sector workers.

There are a number of things that need to be done to improve the welfare of workers in the digital era, especially in the informal sector as follows:

- i. Workers must have good digital capital, such as a set of technical competencies in the use of digital technology that can increase their income. This requires a digital technology infrastructure and improvement of digital technology skills through formal education, non-formal education, or vocational training that are easily accessible throughout Indonesia. In addition, market access to workers' products/ outputs needs to be opened.
- ii. The Indonesian government does not only provide welfare for workers through the aspects of social security and wage, but also many other instruments to improve the welfare of workers, such as: maintaining stability in price increases for strategic commodities (food, clothing, housing, transportation, education, etc.), various subsidy programmes (social assistance, wage subsidies, fuel subsidies, fertiliser subsidies, financial aid, etc.), opening access to capital credit and consumption credit, reducing costs in the logistics chain, etc. Thus, employment

social security and wages are not the only government instruments to improve the welfare of workers and their families in the digital economy era.

Indonesia encourages digital platform service providers to ensure that their partner workers are protected in the employment social security programme. Workers/Partners on digital platforms are categorised in the Non-Wage Recipient Participant (Informal) segment. Participation in this segment experienced a significant increase, from 2,494,994 in 2020 to 3,551,858 in 2021 (29.76 per cent) (Social Security Agency for Employment, several years).

The Indonesian government has a Pre-Employment Card programme that can provide benefits for platform workers to access protection in the event of a disruption. The benefits of this programme are job and entrepreneurial training, cash and entrepreneurial access, and job market access.

Can you share some of the key ALMM initiatives and accomplishments to promote decent work and extend social protection to informal workers in the region?

Minister Ida Fauziyah: Building through cooperation and common interest and priorities shared among the ASEAN Member States, the ASEAN Labour Ministers' Work Programme 2016-2020 envisioned “a better quality of life for ASEAN people through a workforce with enhanced competitiveness and engaged in safe and decent work derived from productive employment, harmonious and progressive workplace, and adequate social protection.”



This objective continues to guide the ASEAN Labour Ministers' Work Programme for 2021-2025, which is expected to attain four key result areas as follows: skilled and adaptable workforce; productive employment; harmonious, safe and progressive, workplace; and expanded social protection.

Meanwhile, the ALMM had accomplished key deliverables in supporting the promotion of decent work and extending social protection to informal workers in the region. The ASEAN Leaders adopted the **Vientiane Declaration on Transition from Informal Employment to Formal Employment towards Decent Work Promotion in ASEAN** in September 2016. It is one of the of many substantial documents that formed the basis for pursuing the transformation of informal employment into formal employment.

The implementation of the Vientiane Declaration, through its Regional Action Plan, has brought about, among others, the *Regional Study on Informal Employment Statistics to Support Decent Work Promotion in ASEAN*. The study provides evidence-based assessment and recommendations to understand better the trends of informal employment in the region and its correlation with decent work conditions, as well as to improve the responsiveness of policies to address the situation of informal employment. Recently, Senior Labour Officials Meeting had endorsed the *Study Report on Decent Work Promotion in Rural Economy through Productivity Growth, Local Employment Promotion and Transition from Informal to Formal Employment*. This report looks into decent work promotion

through productivity growth, local employment promotion, and transition from informal to formal employment.

Furthermore, to achieve decent work in the region, ASEAN cooperation on labour is committed to ensure productive employment and decent work that respond to crises. These include disruptions and uncertainties caused by the COVID-19 pandemic and disruptions caused by the fourth industrial revolution in the world of work and labour conditions. The **ASEAN Declaration on Promoting Competitiveness, Resilience and Agility of Workers for the Future of Work** was adopted by ASEAN Leaders at the 38th ASEAN Summit in October 2021, securing ASEAN's commitment to "build back better" the labour and employment conditions in the region in the aftermath of the pandemic crisis. ■



INFORMAL WORKERS: Why Their Inclusion and Protection are Crucial to the Future of Work



MEGA IRENA

HEAD, LABOUR AND CIVIL SERVICE DIVISION
ASEAN SOCIO-CULTURAL COMMUNITY DEPARTMENT

The region's informal economic sector is as vast as it is invisible. For many years, ASEAN has been collaborating to uncover and address the work risks and vulnerabilities associated with the informality of this sector, often considered the backbone of ASEAN's economies. The goal is to provide decent work for millions of informal workers who labour tirelessly but are often unprotected.

ASEAN is the fifth-largest economy globally, with its combined GDP reaching 3 trillion US dollars in 2020. This GDP is mainly anchored in the services sector (50.6 per cent), manufacturing (35.8 per cent) and agriculture (10.5 per cent). The agriculture sector contributes the most to informal employment in six ASEAN Member States, followed by services and then industry, with variations by country (ASEAN Key Figures, 2021).

Informal employment is also prevalent in the non-agriculture informal economy. Essentially, this is a sector where economic activities are either not

covered or insufficiently covered by formal arrangements as they are unregistered under national legislation. Those are usually small household businesses with own-account workers or possibly with the support of family workers or paid workers who are engaged casually. In the informal economy, employers have unclear responsibilities in regard to covering social security and certain employment benefits of the workers.

According to ILO's estimation, two billion people make their living in the informal economy. There are about 244 million of them in the ASEAN region. This rate is generally higher for women, those with lower education levels, and those living in the rural areas. Platform workers, such as drivers of ride-hailing online services, also belong to that group, although they work for registered and recognised entities. In this digital era, platform work has expanded quickly, and more people favour it as a primary or secondary source of income. However, these workers are not considered employees in a traditional understanding and, consequently, are not given adequate social protection.

“ In addition, women have suffered disproportionate income losses as they are predominant in the hardest-hit sectors. Therefore, strengthening social protection is one of the highest priorities in the ASEAN Comprehensive Recovery Framework (ACRF). ”

Informal work arrangements often lead to vulnerabilities of workers that are aggravated in times of an economic slowdown. The *ASEAN Rapid Assessment: The Impact of COVID-19 on Livelihoods across ASEAN* conducted in 2020 noted that informal workers had been adversely affected by the

pandemic, especially those in the hard-hit sectors, including tourism. With slow tourism in the past two years, informal workers in this sector have become highly vulnerable. Those without alternative sources of income fell into poverty. In addition, women have suffered disproportionate income losses

as they are predominant in the hardest-hit sectors. Therefore, strengthening social protection is one of the highest priorities in the **ASEAN Comprehensive Recovery Framework (ACRF)**.

Member States acknowledge their high reliance on the informal economy and the need to alleviate its decent work deficit. Accordingly, ASEAN leaders agreed to take multi-pronged measures as cemented in the **Vientiane Declaration on Transition from Informal Employment to Formal Employment towards Decent Work Promotion in ASEAN**. Regional actions have been taken by the ASEAN sectoral body on labour since.



One of the key milestones is establishing the ASEAN informal employment database (<https://data.aseanstats.org/>). The segregated data showcase the multi-dimensional patterns of informal employment in ASEAN to support better policy responses. Despite some technical shortcomings, such as different definitions and data collection frequency, Member States pressed on with the database construction in 2019. The findings and recommendations of the *Regional Study on Informal Employment Statistics to Support Decent Work Promotion in ASEAN* laid the foundation for building the database.



Simultaneously, a regional study was conducted together with the International Labour Organization (ILO) to look into existing gaps and opportunities for extending social security to workers in informal employment. The study, *Extension of Social Security to Workers in Informal Employment in the ASEAN Region*, reported that only a minority of the population is covered comprehensively by social protection systems. Moreover, public expenditure on social protection in ASEAN is below the average level in the Asia Pacific region. Limited contributory capacity and low business registration are the primary challenges that hinder wide coverage of social protection. The study, therefore, recommended for policy coherence of business registration, labour legislation, and tax policies to enable the transition towards formal employment.

Acknowledging the rapid growth of platform work, the study on *Managing Technology's Implications for Work, Workers, and Employment Relationships in ASEAN* recommended universal coverage of social protection, which is unrelated to employment status. As universality requires sufficient resources, tax policies were recommended for adaptation to capture more revenue from the digital platforms. Certainly, one should take this recommendation and still be mindful that the ASEAN Member States are also keen to support start-ups so they can be globally competitive and attractive.

As ASEAN is gearing up for the future of work, we should not lose sight of the fact that the massive number of informal workers in the region may not necessarily deflate in the future. Instead, it may increase amidst the digitalisation of ASEAN economies. Boosted by technological advancement and the growing popularity of e-commerce in the ASEAN region, there is no doubt platform work will continue to increase and become instrumental to the region's economic growth.

It is evident that the ASEAN Member States need to adjust their labour laws quickly to protect the rights of informal workers, including those in the platform economy. The COVID-19 pandemic has taught us a lesson on the importance of putting in place inclusive pandemic recovery programmes that provide informal workers, especially women, access to medical care and social assistance without discrimination due to their employment status. Recovery plans should be able to trigger necessary changes in social protection systems that leave no informal worker behind.

The formalisation of employment and universal coverage of social protection are seen to be the two main paths towards decent work that are being explored by many developing countries regionally and globally. Whichever path they take, Member States have ample opportunities to shape the region's future of work that is resilient, inclusive, and sustainable. ■

The publications are available at the following links:



ASEAN Rapid Assessment: The Impact of COVID-19 on Livelihoods across ASEAN: <https://asean.org/book/asean-rapid-assessment-the-impact-of-covid-19-on-livelihoods-across-asean/>



The Regional Study on Informal Employment Statistics to Support Decent Work Promotion in ASEAN: <https://asean.org/book/regional-study-on-informal-employment-statistics-to-support-decent-work-promotion-in-asean/>



Extension of Social Security to Workers in Informal Employment in the ASEAN Region: <https://asean.org/wp-content/uploads/2020/01/Regional-Study-on-Extension-of-Social-Security-to-Informal-Workers-in-ASEAN.pdf>



Managing Technology's Implications for Work, Workers, and Employment Relationships in ASEAN: <https://asean.org/book/managing-technologys-implications-for-work-workers-and-employment-relationships-in-asean/>

INFORMAL EMPLOYMENT FACTS AND FIGURES

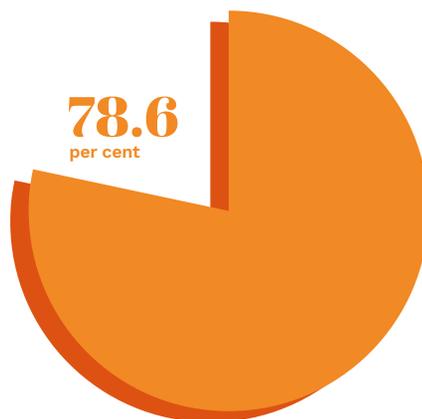


This represents as much as **78.6 per cent** of the region's workforce aged 15 and older.



50.8
per cent

Informal employment in ASEAN is **higher than the world average of 50.8 per cent** (excluding agriculture).



Most informal workers in the region are:



Male: The percentage of male informal workers range from **50.5 per cent** in Cambodia to **61.5 per cent** in Malaysia.



Own-account workers and contributing family workers: An estimated **81.8 per cent** of all own-account workers and **100 per cent** of all contributing family workers are informally employed.



Least likely to have reached tertiary education: Data from five ASEAN countries show that their informal workers have completed, **at most, secondary education**, equivalent to International Standard Classification of Education or ISCED levels 2 and 3.



Earning less than formal workers: Data from six countries show that the average earnings of informal workers (excluding agriculture) **are less than that of the formal workers**. In Cambodia and Laos PDR, however, informal workers in urban areas earn more than those in formal employment, regardless of location.

The risks and vulnerabilities of informal workers include:



Lack of access to social insurance, including healthcare; maternity benefits; assistance in cases of unemployment, work-related injury, disability, or sickness; and old age and survivors' pensions.

Limited labour rights and absence of labour protection, such as decent work hours; minimum wage; protection against nonpayment of wages, retrenchment without cause, discrimination, and substandard or unsafe work environment.

Irregular and lower earnings



Sources: *Regional Study on Informal Employment Statistics to Support Decent Work Promotion in ASEAN, 2019*; *Extension of Social Security to Workers in Informal Employment in the ASEAN Region, 2019*



OLDER WOMEN WORKERS in Southeast Asia's Informal Economy



LAURA ALFORS

DIRECTOR, SOCIAL PROTECTION PROGRAMME
WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING
AND ORGANIZING (WIEGO)



AURA SEVILLA

PROGRAMME CONSULTANT FOR SOUTH EAST ASIA AND OLDER WORKERS
WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING
AND ORGANIZING (WIEGO)

Women in the informal economy are not a homogenous group. At the same time, population ageing is not gender-neutral. The population in Southeast Asia is ageing, and due to their longer life expectancies, women form the majority of the older persons in the region. Given this demographic trend, there is important work to understand the intersections of ageing, gender, and livelihoods. However, this subject has received relatively little coverage in existing studies to address the root causes of gender inequalities and cleavages in the informal economy.

This article aims to provide an overview of the size, composition, and work conditions among older women in informal employment in Southeast Asia. It also outlines WIEGO's approach to supporting older workers in informal employment, particularly in the area of social protection.

Older women in informal employment in Southeast Asia

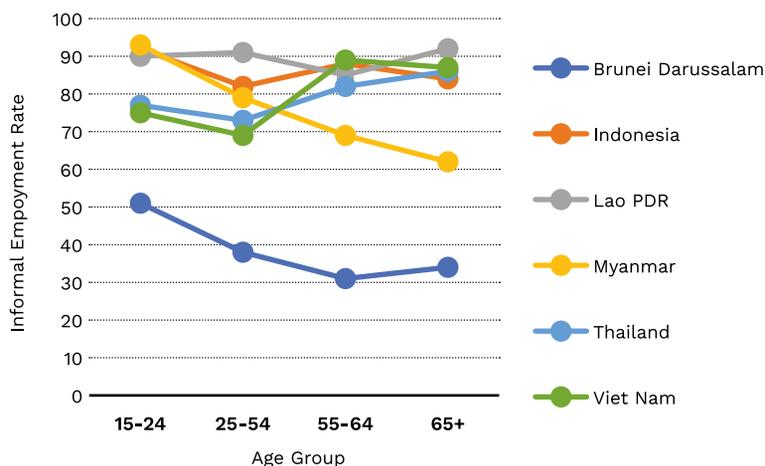
Globally, levels of informal employment are higher amongst older workers. Similarly, in Southeast Asia, the level of informality is higher among older people (65 years old and older), particularly in Cambodia, Indonesia, Lao PDR, Thailand, and Viet Nam (Figure 1).

Older women in the region are more affected by informality than older men, with rates surpassing more than 95 per cent in Cambodia, Lao PDR, and Viet Nam (see Table 1). According to the ILO (2019), this is a sign of vulnerability as it shows older people, particularly women, having difficulties finding formal jobs due to their age, while the lack of old-age income security forces them into informal employment arrangements.

Among older women, the diverse motivations for continuing to work include economic necessity, personal preference, social norms, and broader gendered inequalities (Samuels, et al., 2018). Based on the latest UN report on human rights of older women, working in older age has both advantages and disadvantages for older women (Mahler, 2021). On the positive side, work can increase financial independence, provide a sense of fulfilment and greater status within a household, and can give cognitive advantages. However, on the other hand, it can negatively affect older women's physical and mental health due to poor working conditions, exposure to discrimination and abuse, and cause them added stress from multiple responsibilities at work and at home (Mahler, 2021).

Within the informal economy, older women workers often experience multiple forms of discrimination based on both

Figure 1: Informal employment rates in select ASEAN Member States, ILO Modelled Estimates, by age, 2017 data



Sources: ILOStat, <<http://www.ilo.org/ilostat/>>

Table 1: Informal employment rates in select ASEAN Member States, ILO Modelled Estimates, by sex, 65 years old and older, latest available year

Country	Year	Female	Male	Both sexes
Brunei Darussalam	2020	39.5	36.3	37.6
Cambodia	2019	96.9	92.6	94.7
Indonesia	2019	93	89.6	90.9
Lao PDR	2017	98.8	89.1	92.2
Myanmar	2019	81.1	67.2	71.7
Thailand	2018	86.7	79	82
Viet Nam	2021	95.9	94.7	95.2

Sources: ILOStat, <<http://www.ilo.org/ilostat/>>

Note: No data was available for Malaysia, the Philippines, and Singapore

their gender and their age. This includes ageism, vulnerability to exploitation, lower incomes, a gender pay gap, poor working conditions, and income insecurity (Gorman, et al., 2010). Furthermore, older workers are excluded from accessing credit schemes, limiting their potential to grow their businesses and trapping them in lower-paid work. Since most retraining and redeployment

schemes are generally targeted at younger people, older workers have limited opportunities to improve their skills and educational level in later life (Samuels, et al., 2018).

The COVID-19 crisis also highlighted the precariousness of older workers' livelihoods. Evidence from WIEGO's *COVID-19 Crisis and Informal Economy*

Study—a multi-city longitudinal study that assesses the impact of the COVID-19 crisis on specific occupational groups of informal workers and their households, with a focus on domestic workers, home-based workers, street vendors, and waste pickers—revealed that when the pandemic hit, the earnings of older informal workers fell to a greater extent than those of their younger counterparts. At the same time, their income recovery has been slower. This was observed to have affected slightly more older women than men.

Contributing to this situation is that many women do not have old-age income security through a public pension mechanism. The cumulative disadvantages of precarious and informal work and regular breaks from paid work to provide care, make it difficult for women to contribute to pension funds, often resulting in lower pensions for women (Mahler, 2021). In South-Eastern Asia, only a third (31.5 per cent) of persons aged 60 and older receive an old-age pension (ASEAN, 2020). While coverage rates vary among countries in the region, women are consistently disadvantaged; effective coverage (i.e., the proportion of older persons who receive pension benefits) of women in contributory schemes is always lower than men. For example, under the contributory social security scheme (SSS) in the Philippines, the proportion of female old-age pension beneficiaries (29 per cent) is almost half that of men (53.2 per cent) (ASEAN, 2020). In Indonesia, older men are three to five times more likely to receive a pension than older women (2007 Indonesia Family Life Survey, as cited in Harding, et al., 2018). This gender gap in old-age pension coverage highlights further inequalities within countries in the receipt of old-age pensions.

The non-contributory or social pension has closed the gender gap in old-age pension coverage but does not go far enough. For example, in Thailand, 84.6 per cent of women above retirement age receive the Old Age Allowance compared

to 77.9 per cent of men (Harding, et al., 2018). However, only six out of 10 ASEAN Member States are implementing non-contributory pensions, with only Brunei Darussalam and Thailand having near-universal coverage. Recently, Myanmar has introduced a tax-funded (non-contributory) scheme for persons older than 90 while Singapore has introduced matched savings for the Central Provident Funds members, which will benefit more older women.

WIEGO social protection strategy in Southeast Asia for older workers

WIEGO recognises the significant contributions of older men and women in informal employment and their challenges in fulfilling their right to work and access the labour market. As a response, WIEGO Social Protection Programme launched a pillar of work on Income Security for Older Workers which understands older informal workers as people who are contributing to household incomes and to care work, rather than as “the unproductive elderly.”

As many older informal workers in the region cannot afford to stop working, WIEGO advocates at least

a basic pension for older women and men, which would enable the choice to continue working or not, and the level of intensity of the work in which they do engage. Social pensions can also be an important mechanism for providing relief during times of crisis. As the pandemic showed, older workers living in countries with social pensions in place were more able to receive timely income support (Alfers, et al., 2021).

Particularly for older women and men who want to remain economically active, it is critical that the decent work agenda extends to them, too—providing greater opportunities, tackling discrimination, extending healthcare (including in the workplace), and improving representation for older people in processes of change.

In Southeast Asia, WIEGO works closely with membership-based organisations (MBOs) in the region, such as the HomeNet Southeast Asia, Streetnet International, and International Domestic Worker Federation (IDWF), supporting their advocacy toward comprehensive, inclusive, and gender-responsive social protection



About WIEGO:

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies. Visit www.wiego.org.

for workers in the informal economy. During the pandemic, HomeNet Thailand helped its older members overcome digital barriers to access by ensuring that they had the support of younger family members in filling up the online application portal for emergency relief. Through our Social Protection training in the Philippines, we were able to link HomeNet Philippines to a local organisation advocating for a universal social pension. Very recently, HomeNet Southeast Asia developed its social protection strategy with income security of older workers as one of the priorities.

WIEGO and MBOs partners intend to work more collaboratively with the Senior Labour Officials Meeting (SLOM) and the ASEAN Secretariat in bridging the research gaps in gender, age, and informal work and in determining effective strategies for expanding the social protection of workers in the informal economy, particularly promoting decent work and income security for older informal workers. ■



Photo Credit: © Komsan Loonprom/Shutterstock



The complete reference list may be accessed at this link: https://drive.google.com/file/d/1k61n8yUfK97ftXZBi9eLipVHX8z66V_s/view?usp=sharing



ARTISANS IN CAMBODIA:

From Vulnerable to Empowered



MEN SINOEUN
EXECUTIVE DIRECTOR
ARTISANS' ASSOCIATION OF CAMBODIA

The Artisans' Association of Cambodia (AAC) is a membership-based organisation established in 2001 by the World Rehabilitation Fund (WRF) through funding from the United Nations Development Program and with additional support from the International Labour Organization (ILO). AAC is proud to be part of the World Fair Trade Organization, HomeNet South East Asia, and an affiliate of HomeNet International in 2021.

The original charge of the AAC was to promote new approaches for the socio-economic reintegration of landmine survivors and other persons with disabilities. In subsequent years, the membership was extended to help individuals who were in vulnerable situations, such as single mothers, ex-victims of human trafficking, HIV-positive persons, etc. AAC is committed to fostering the economic independence of persons with vulnerable backgrounds and promoting the cultural tradition of woven Cambodian handicrafts.

By the end of 2019, the 38 member-organisations under AAC employ collectively some 2,312 artisans and support staff, mostly persons from economically vulnerable backgrounds. AAC has been especially engaged in supporting the

empowerment of women. Thus, three-fourths of members' artisans, producers, and employees are women, a tenth are people with disabilities, and well over half of the member-organisations are directed by women.

The 38 member-organisations have benefitted from training and technical assistance provided by AAC staff and consultants. They help members on various aspects, such as production methods, design, marketing, export methods, fair trade development or eco-friendly practices, organisation development, transforming Charity NGOs into independent social enterprise, empowering women to be independent and take leadership roles, as well as promoting social protection.

Based on our experience, medium-sized social enterprises and registered companies have more access to financial institutions than small-scale ones. There are legal and financial barriers for small social enterprises to register for legal export formally.

For example, the process of registering a company requires higher operational costs, a qualified staff, and an established financial system that includes sales reports, tax payments, and annual patent renewal.



Cost Insurance and Freight (CIF)” and by ship “Port to Port” Incoterms. The payment transaction is always between banks and through the central bank.

AAC’s work has some notable impacts. It has improved its members’ sustainable business expansion, compliance with fair trade principles, confidence in managing their enterprises/companies, harmony, and solidarity. It has strengthened the ability of vulnerable women to communicate, and enabled cash settlement with international buyers and clients through digital technology.

Informal economy workers, such as artisans and handicraft producers, play an important role in Cambodia’s handicraft sector, conserving and promoting Cambodian tradition and culture and at the same time, contributing to the country’s economic development. However, the government has yet to recognise them as formal workers. Many members of the AAC do not yet benefit from the social protection programmes of the government of Cambodia.

Thus, the fair trade association does not only help members to formalise business, remove all the barriers that impede trade and help them address daily operational issues, but also advocate for social protection.

The government has launched several necessary social protection programmes in response to the socio-economic crisis brought about by the pandemic, but they do not fully cover the informal economic workers, particularly artisans and handicraft producers in informal arrangements. For example, based on an upcoming study of AAC and Women in Informal Economy: Globalizing and Organizing (WIEGO), 70 per cent of the members surveyed (n=311) are currently not receiving the IDPoor Equity Card—the government’s mandatory standard tool for targeting pro-poor measures. AAC plans to use the findings from the said study for better targeting and inclusion of informal workers in the government’s social protection programmes.



(top) Silk and cotton textiles produced by various AAC member-organisations are showcased at AAC’s pavilion at the Import-Export Goods Exhibition in Phnom Penh, Cambodia in December 2014

(bottom) Colored handmade bamboo kralors (small baskets with lid) are made by talented members of the Khmer Women Handicrafts Association from south Cambodia

AAC’s other role focuses on the operational and strategic management of the association’s development to provide services to the members and buyers towards improving the socio-economic well-being of artisans and ensuring the sustainability of the

association. Since 2008, AAC has been functioning as an independent entity, with the encouragement of the McKnight Foundation and WRF.

A number of AAC members are now formally registered as private companies. Two strategic approaches were used. First, NGOs were directly transformed into formally registered private companies. Second, NGOs established a trading arm that can conduct business and export on their behalf since they are not permitted to do so. The latter enables them to officially export their products to overseas buyers, such as in Europe, USA, East Asia, and Southeast Asia through airfreight “door to door or Ex Works or

The lockdown that was imposed in Cambodia in March-May 2020 due to the pandemic caused a massive disruption to self-employed home-based workers (HBWs). During the lockdown period, small HBW enterprises in Phnom Penh city experienced about a 90-per cent decrease in income. More than 90 per cent of the HBWs in Battambang and Siem Reap cities earned lower profits than before the pandemic.

Due to the prolonged lockdown, 94.58 per cent of home-based jobs had to be temporarily suspended, while 4 per cent had been permanently eliminated, and only 1.42 per cent were retained. HBWs also decreased their spending on food and could barely afford to send their children for online study.

Around 16 per cent of 350 home-base workers switched occupations from their previous jobs in 2021. Various HBWs spent



“ AAC’s work has some notable impacts. It has improved its members’ sustainable business expansion, compliance with fair trade principles, confidence in managing their enterprises/companies, harmony, and solidarity. ”

their savings to cover income losses, many borrowed money, some had to sell assets to cover the losses incurred, while others were forced to violate lockdown measures to earn a living.

Several home-based workers’ groups in Battambang and Siem Reap city bought finished products from their members for stock, since the price offered by their routine wholesalers was low.

To address these challenges, one of the AAC’s initiatives is to increase the

skills and knowledge of the members on digital marketing. AAC provided hands-on training to the HBW group leaders and one of their members to develop a Facebook page, then following up and upgrading their skills to enhance their ability to use the Facebook page effectively.

Seventy per cent of HBW group leaders have Facebook accounts using second-hand mobile phones. The most popular digital platforms used by HBWs are personal Facebook and Facebook messenger, Telegram, and LINE. HBWs are fast and skillful in posting, sharing, adding new friends, and sending voices/messages in the Khmer language. There are a few groups that can communicate using email in English.

(top) Amid the pandemic, handmade and naturally-dyed cotton, linen and silk fabrics continue to be produced in Takeo province and distributed and stocked in Phnom Penh

(bottom) Persons with disabilities are employed as seamstresses by Watthan Artisans Cambodia (WAC), a sustainable, independent social enterprise and a member of the AAC. This social business is a leading player in the recent rebirth of Khmer fine craftsmanship, with its unique and premium designs that combine ancestral savoir-faire and modernity.

A number of HBWs are now able to sell online through Facebook and even know how to boost pages for more viewers to place orders and settle money through electronic means. Also, HBWs can join either Zoom meetings or webinar meetings.

Home-based workers can now increase the visibility of their products and their groups. They are able to place orders for the raw materials and foodstuff they need for their daily work and life. They can avoid COVID-19 infection because of the knowledge they received online. The more advanced groups who know how to boost their Facebook pages have received more viewers and buyers locally and internationally. As a result, they did not lay off workers and were able to provide additional social assistance and food to them. And now they are on the verge of using the most recent digital technology. ■



Viewpoint: BERNADETTE ROMULO-PUYAT

Secretary of Tourism of the Republic of the Philippines

Tourism has been one of the hardest-hit sectors by the prolonged COVID-19 pandemic. Secretary Romulo-Puyat talks to *The ASEAN* about the pandemic's impact on the Philippines' tourism industry, on jobs and businesses, and how the country is working towards recovery.

Tourism is a key driver of Philippine economic growth. Can you tell us briefly how the Philippine tourism industry has been impacted by the COVID-19 pandemic? Can you describe the full range of its impact on tourism-related micro, small and medium-sized enterprises (MSMEs) in your country, which are said to comprise more than 90 per cent of the tourism industry?

Secretary Romulo-Puyat: The COVID-19 pandemic has adversely impacted the Philippine tourism industry. In 2019, the industry's contribution to the Philippine Gross Domestic Product was at 12.8 per cent. This decreased to 5.4 per cent in 2020 when the pandemic hit—a considerable gap from the previous year.

Based on the data of the Philippine Statistics Authority, we only recorded 1.48 million tourist arrivals in 2020—a decline of 82.05 per cent compared to the record-high 8.26 million tourist arrivals in 2019. More so, we recorded only 24 million domestic trips in 2020, showing a decline of 77.90 per cent compared to the almost 110 million domestic trips recorded in 2019.

This translated to a major loss in tourism revenues, which plummeted to 973 billion Philippine pesos in 2020 from 2.51 trillion pesos in 2019.



The challenges of the pandemic forced several tourism establishments to close or to cut down on their operations temporarily. This inevitably affected tourism workers, as seen in the 4.68 million workers employed in the tourism industry in 2020, representing a decrease of 18.1 per cent from the 5.72 million workers employed in 2019.

Despite the challenges and limitations of the pandemic, the Department of Tourism (DOT) has been relentless in its efforts to keep the tourism industry afloat while laying the groundwork for the industry's recovery.

At the onset of the pandemic, several hotel and accommodation establishments were repurposed as quarantine, isolation, or multi-use facilities nationwide. This afforded them a continuous stream of income as they housed returning travellers, recovering patients, and Business Process Outsourcing (BPO) and health workers. The vaccination of frontline tourism workers in these hotels were also prioritised under the A1 category of the National Vaccination Plan.

Furthermore, as early as June 2020, the DOT issued minimum health and safety protocols for tourism operations, that would allow destinations and establishments to reopen even during the pandemic. In September 2020, the

Philippines was granted the World Travel and Tourism Council (WTTC) Safe Travels Stamp, indicating that our tourism health and hygiene protocols comply with global standards.

How did the government support tourism-related MSMEs at the height of the pandemic? What measures are being undertaken to help them re-open and bounce back from the pandemic?

Secretary Romulo-Puyat: While international borders were still closed to leisure travel, we focused on domestic tourism as the primary catalyst for tourism revival. We have been conducting site inspections and validation trips with the intent of ensuring that our local destinations are ready to accept local tourists and are equipped with the health and safety measures aligned with the protocols set by the National Task Force. These are being done in order to address traveller hesitancy and show people that travel can be done in a safe manner.

Hotels in cities and famous beach destinations have also provided a welcome respite for many Filipinos experiencing cabin fever—those who have grown weary of being confined to their own homes for extended periods due to the quarantine. By developing packages for hotel staycations and wellness workcations, domestic travellers need not go far away to get the chance to relax, recharge, and reboot in a fresh new environment, while still complying with the prescribed health and safety protocols.

As part of our efforts in saving tourism establishments, livelihood, and jobs that have been severely affected by the pandemic, a total of 10.1 billion pesos was allocated to assist tourism stakeholders under the *Bayanihan* to Recover as One Act (*Bayanihan 2*). Six billion pesos of the total amount was allotted to the CARES for TRAVEL Program, a soft loan programme for micro, small, and medium tourism

Calaguas island, Camarines Norte, Philippines



Photo Credit: © John Harvey Peres/Department of Tourism, Philippines



Chocolate Hills, Bohol, Philippines

enterprises. Together with the Department of Trade and Industry (DTI)-Small Business Corporation, we launched the CARES for TRAVEL Program in October 2020, providing zero-interest, no-collateral loans with a loan term of up to four years and a grace period of up to two years.

In terms of our workers, employment in the tourism industry decreased by 18.10 per cent, from 5.72 million in 2019 to 4.68 million in 2020. To aid tourism workers, 3.1 billion pesos was allocated to the DOT and the Department of Labor and Employment's Financial Assistance and Cash-for-Work Program for Displaced Workers in the Tourism Sector. Members of duly registered community-based tourism organisations, employees of DOT-accredited tourism enterprises, tour guides, and local government unit (LGU)-licensed primary tourism

enterprises were eligible to apply for the one-time financial assistance of 5,000 pesos.

Furthermore, to jumpstart the reopening of the industry with full confidence, the DOT continues to double its efforts in vaccinating all tourism workers in the country. As of 8 April 2022, we have vaccinated 97.16 per cent of our targeted tourism workers across the country, with 32.64 per cent already having received their booster shots. Aside from formal tourism workers, we have also included the vaccination of souvenir shop vendors, tour operators and travel guides, and *motorbanca* or motorised boat operators in top tourist destinations across the country.

Another way to strengthen our tourism workforce was to continue the training and levelling up of their skills and knowledge. The need for training intensified during the pandemic, as our workers and stakeholders had to learn

how to deal with and adapt to the new normal. The DOT's Office of Industry Manpower Development, together with our regional offices, collaborated to organise online learning classes and webinars. As of the end of last year, we had conducted 956 classes with 69,580 participants. With the re-opening of tourism, our thrust to develop our workforce remains strong.

Many informal workers are also tourism-dependent and have lost jobs and income during the pandemic. Are there any interventions to help them regain their livelihood?

Secretary Romulo-Puyat: As the Philippines remain committed to the shared goals of the ASEAN Economic Community, we also ensure that our tourism practitioners and workforce are at par with our Asian neighbours, especially with the implementation of the ASEAN Mutual Recognition Arrangement on Tourism Professionals.

This arrangement promotes and encourages the mobility of tourism professionals in the ASEAN regions. Towards this end, from June 2016 to March 2022, seminar-workshops on the programme's awareness and toolbox immersion across six tourism labour divisions, namely, housekeeping, front office, food and beverage service, food production, and travel agency and tour operation services, were conducted.

To further elevate the competitiveness of our tourism professionals, we initiated the Filipino Brand of Service Excellence Program. Since its launch in 2018, we have helped raise the service standards of nearly 13,000 workers by highlighting what we call the seven M's of Filipino service: *Maka May Likha, Makatao, Maka Kalikasan, Maka Bansa, May Bayanihan, Masiyahin, at May Pag-asa*.

To ensure a long-term recovery strategy for the tourism industry, the DOT crafted the Tourism Response and Recovery Plan (TRRP) in May 2020. The TRRP served as the Department's master plan for navigating the tourism industry, not just during the pandemic but also in any future challenges.

The pandemic also compelled us to update our National Tourism Development Plan, refocusing it on promoting safe, fun, and competitive tourism; pursuing sustainable, inclusive and resilient tourism; and strengthening governance and destination management.

To promote safe, fun, and competitive tourism, we developed more than a hundred tourism circuits across the country to introduce the best travel products and experiences that each region offers. These circuits include culinary, history, nature, wellness, agriculture, and faith-based tourism.

In terms of strengthening governance and destination management, the DOT provided the LGUs with technical assistance and

Workers serenade tourists on the Maragondon River, Cavite, Philippines

“ To promote safe, fun, and competitive tourism, we developed more than a hundred tourism circuits across the country to introduce the best travel products and experiences that each region offers. These circuits include culinary, history, nature, wellness, agriculture, and faith-based tourism. ”

capacity-building programmes to prepare and implement their local tourism master plans, investment programmes, product and market development programmes, and data gathering capabilities, among others.

Lastly, to pursue sustainable, inclusive, and resilient tourism, we have a flagship programme in partnership with the ADB and World Bank called Transforming Communities Towards Resilient, Inclusive, and Sustainable Tourism (TouRIST). Its strategic objectives cover the building and strengthening the capacities of destinations for conservation and climate-smart investments. Part of the programme is to formulate measures that would address tourism risks and crises, which will then set emergency plans and provide guidance to local governments and the private sector in preparing and updating their crisis management plans based on UNWTO and ASEAN guidelines, and business continuity plans.

What role did digital technology play in the tourism industry during the COVID-19 pandemic? What opportunities does it offer to tourism MSMEs post-COVID? Do you think that the increasing use of digital solutions, such as artificial intelligence for travel services, would eventually lead to the displacement of the workforce?

Secretary Romulo-Puyat: During the COVID-19 pandemic, the majority of the world's operations shifted heavily into the digital platform. The tourism industry was severely impacted as it used to rely heavily on face-to-face interactions. As the needs and expectations of tourists changed along with the circumstances, Philippine tourism also had to adapt and innovate in order to keep up with the standards and protocols of the new normal.

The Department of Tourism has advocated the expanded adoption and integration of Smart Tourism in our programmes and products. This involves the strengthening





“ For the last two years, the DOT has been offering online workshops and webinars to educate and upskill tourism stakeholders for business in the new normal. ”

of digital platforms, ensuring data-driven planning, and expanding other tools for promotions and marketing.

Travel and tour operators also transitioned to digital technologies in terms of promotion strategies and operations in order to meet the demands of the time. The current situation has compelled them to adopt various technologies for contactless transactions, as well as stage hybrid travel and tourism events.

Events such as the Philippine Travel Exchange (PHITEX), MICECON, and Regional Travel Fairs were already conducted in a hybrid setup to secure the safety of travel and trade practitioners as well as the participants, and to reach a wider market.

For the last two years, the DOT has been offering online workshops and webinars to educate and upskill

tourism stakeholders for business in the new normal. In order to help them grow and adapt, we provide support by introducing them to the basics of e-commerce and showing them how to build an online presence and successfully maintain an e-business.

In this day and age, changes in the travel and technology landscape go beyond improving our processes or the tourist experience; it also entails transforming the entire tourism ecosystem itself. Our current efforts to digitise processes allow more streamlined experiences for tourists, from exploring travel options, booking services, and savouring their adventures.

While the use of technology is bound to enhance the traveller experience, we are confident that our tourism workers will still play a significant

A tourism worker in Palawan, Philippines (2019)

role in a highly-digital tourism world. Travel is all about experiences and relationships—something that perfectly corresponds to the Filipino brand of hospitality that we offer. More so, tourism is a creative field that requires human intervention in the form of customer service and designing tours and experiences. No automation can surpass human hospitality, and we at the DOT guarantee that our efforts to bolster the digitalisation of the tourism industry are in line with the strengthening of our tourism workers' capabilities.

We note that the Philippines has volunteered as a lead coordinator for establishing a support mechanism for women-owned MSMEs under the Post-COVID-19 Recovery Plan for ASEAN Tourism and ASEAN Tourism Strategic Plan (ATSP) 2016-2025 so they can recover from the pandemic. Can you share with us any progress on this front?

Secretary Romulo-Puyat: The Philippines has always been a staunch advocate of Gender and Development and Inclusive

**Top**

A tourism worker in Bohol, Philippines (2019)

Bottom

COVID-19 vaccination for workers in Palawan, Philippines

Tourism alike. These priorities are engrained in our guiding policies, strategic plans, and consistently in our work programmes.

With this, we have taken steps in order to institutionalise our approach to promoting development that is fair and inclusive, not only under the lenses of gender but of the wider scope of our developing sector. This has been an advocacy that I have carried even before my time as Tourism Secretary. Back when I was still serving in the agriculture sector, women's empowerment and support to MSMEs, especially those promoting sustainability in their businesses and enriching communities and their identities, have been my priorities.

Our work aligned with the *Post-COVID-19 Recovery Plan for ASEAN Tourism* and that of the programme with the framework of the *ASEAN Tourism Strategic Plan 2016-2025*. They reflect our commitment to pursuing this path towards inclusiveness. We are now set to convene a dedicated working group for the implementation of the *ASEAN Gender and Development in Tourism Work Plan* that seeks to address issues concerning the rights of women and vulnerable groups, their access to opportunities and economic growth, and the establishment of support mechanisms towards this goal.

The Philippines has likewise consistently ranked first among ASEAN Member States on the global Gender Gap Index, showing our commitment to the advancement of women's empowerment and uplifting their socio-economic status. Leading the programme in the ASEAN, we wish to share our best practices and promote them region-wide. ■



DESTINATION: ASEAN

Tracking tourism in the region



Visitor Arrivals from ASEAN Member States (Intra-ASEAN Travel, 2015-2020)

Destination Country	Origin	2015	2016	2017	2018	2019	2020
Brunei Darussalam	ASEAN	118,719	117,525	131,351	134,596	168,705	32,571
Cambodia	ASEAN	2,097,758	2,121,220	2,161,254	2,067,504	2,228,185	496,466
Indonesia	ASEAN	3,860,652	3,817,500	4,524,646	5,453,330	6,157,190	1,521,447
Lao PDR	ASEAN	3,588,538	3,083,383	2,747,096	2,886,844	3,198,829	555,519
Malaysia	ASEAN	19,146,514	20,271,144	19,478,575	18,114,446	17,880,151	2,949,363
Myanmar	ASEAN	1,762,886	402,862	1,730,435	1,918,268	2,123,313	493,581
Philippines	ASEAN	481,567	461,698	488,346	530,309	526,832	83,344
Singapore	ASEAN	5,748,155	5,936,364	6,225,114	6,520,966	6,623,930	896,779
Thailand	ASEAN	7,886,136	8,897,291	9,322,508	10,191,391	10,751,957	1,652,593
Viet Nam	ASEAN	1,300,839	1,461,172	1,683,524	1,781,327	2,037,257	509,327

Source: ASEAN Stats Data Portal, <<https://data.aseanstats.org/visitors>>



International Visitor Arrivals (2015-2020)

Destination Country	Origin	2015	2016	2017	2018	2019	2020
Brunei Darussalam	World	218,213	218,809	258,955	278,136	333,244	62,325
Cambodia	World	4,775,231	5,011,712	5,602,157	6,201,077	6,610,592	1,306,143
Indonesia	World	10,406,759	11,519,275	14,039,799	15,810,305	16,106,954	4,052,923
Lao PDR	World	4,684,429	4,239,047	3,868,838	4,186,432	4,791,065	886,447
Malaysia	World	25,721,251	26,757,392	25,948,459	25,832,354	26,100,784	4,332,722
Myanmar	World	4,681,020	2,907,207	3,443,133	3,549,428	4,364,101	903,343
Philippines	World	5,360,682	5,967,005	6,620,908	7,127,678	8,260,913	1,482,535
Singapore	World	15,231,469	16,403,595	17,424,611	18,508,302	19,113,842	2,742,443
Thailand	World	29,881,091	32,529,588	35,591,978	38,178,194	39,916,251	6,702,396
Viet Nam	World	7,943,651	10,012,735	12,922,151	15,497,791	18,008,591	3,686,779

Source: ASEAN Stats Data Portal, <<https://data.aseanstats.org/visitors>>





Total Contribution of Travel and Tourism to GDP

Country	2019		2020	
	% Share	Value (in USD)	% Share	Value (in USD)
Brunei Darussalam	5.6	729.5 million	4.1	534.1 million
Cambodia	25.9	6.97 billion	9.0	2.37 billion
Indonesia	5.9	64.7 billion	3.2	34.5 billion
Lao PDR	10.0	1.89 billion	4.8	911.9 million
Malaysia	11.7	41.88 billion	5.2	17.6 billion
Myanmar	5.9	5.5 billion	2.2	2 billion
Philippines	22.5	92.6 billion	4.8	17.8 billion
Singapore	11.1	39.2 billion	4.7	15.7 billion
Thailand	20.1	106.5 billion	8.4	41.7 billion
Viet Nam	7.0	23.21 billion	3.5	11.95 billion

Note: All values are in constant 2020 prices and exchange rates

Source: 2021 Annual Research: Key Highlights, World Travel and Tourism Council <<https://wtcc.org/Research/Economic-Impact-statistics>>



Total Contribution of Travel and Tourism to Employment

Country	2019		2020	
	No. of Jobs	% of Total Employment	No. of Jobs	% of Total Employment
Brunei Darussalam	14,300	7.3	12,900	6.5
Cambodia	2,295,900	24.7	1,655,800	18
Indonesia	13,180,400	10.1	11,803,200	9.1
Lao PDR	348,700	10.2	286,000	8.4
Malaysia	2,279,800	15.1	2,023,800	13.4
Myanmar	1,414,900	6.3	1,086,100	4.8
Philippines	9,500,000	22.7	6,490,000	16.5
Singapore	538,500	14.3	503,700	13.8
Thailand	8,047,200	21.4	6,830,300	18.1
Viet Nam	4,910,800	9.0	3,699,300	6.9

Note: All values are in constant 2020 prices and exchange rates

Source: 2021 Annual Research: Key Highlights, World Travel and Tourism Council <<https://wtcc.org/Research/Economic-Impact-statistics>>



Viewpoint:

DATO' SURIANI BINTI DATO' AHMAD

Secretary-General, Ministry of Entrepreneur Development and Cooperatives, Malaysia and
Chair, ASEAN Coordinating Committee
on Micro, Small and Medium Enterprises

Micro, small, and medium enterprises (MSMEs) form the backbone of ASEAN's economies and provide jobs for millions of people. Dato' Suriani Binti Dato' Ahmad explains why it is crucial to help MSMEs become more competitive and resilient.

Snapshot of MSMEs in the region

Micro, small and medium enterprises have been long recognised as important contributors to ASEAN's economic prosperity and societal well-being, owing to their significant numbers and widespread presence, both sector- and geographical-wise.

Allowing for different definitions of MSME adopted by the ASEAN Member States (see pp. 38-39), there are no less than 70 million MSMEs in ASEAN. As is true with most countries, the MSMEs form a significant share of enterprises, ranging from 97.2 per cent up to 99.9 per cent in each ASEAN Member State, contributing to 85 per cent of the region's employment. Collectively, the MSMEs contribute an average of 44.8 per cent to the region's gross domestic products and 85 per cent to employment. However, despite their dominant share, the MSMEs in Member States only contribute between 10.0 and 29.9 per cent to national exports (ASEAN, 2021).

It is also estimated that there are 62 million informal enterprises, creating 97 per cent of job opportunities in ASEAN (OECD, 2021). Where data is available, micro-enterprises make up a large portion of the total number of MSMEs in a country. To cite a few examples, micro-enterprises constitute 98.8 per cent in Indonesia





(Tirta and Sarli, 2021), 89 per cent in the Philippines (DTI, n.d.), and 79 per cent in Malaysia (Malaysia Statistical Business Register, 2022).

Regional cooperation on MSME development

Regional cooperation on SMEs began in 1995 with the establishment of the ASEAN SME Working Group (ASEAN SMEWG), which comprised representatives of SME development agencies in AMS. The SMEWG was mandated to formulate policies, programmes and activities on SME development. In 2016, the ASEAN SME Working Group was renamed ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME) to expand its scope of work and include micro-enterprises and cover cross-sectoral issues, such as digital economy, women and youth, as well as the financial inclusion.

ACCMSME's current work is guided by the **ASEAN Strategic Action Plan for SME Development (SAP SMED 2025)**. The SAP SMED 2025 focuses on five strategic

goals built upon areas deemed as foundational pillars in nurturing globally competitive, innovative and resilient MSMEs. These are:

- i. Promote productivity, technology and innovation
- ii. Increase access to finance
- iii. Enhance market access and internationalisation
- iv. Enhance policy and regulatory environment
- v. Promote entrepreneurship and human capital development

MSMEs in ASEAN are a heterogeneous group—they vary by size, ownership, nature, and objectives of businesses, sectors, social background and geographical locations. It is impossible to formulate one-size-fits-all policies for these firms. Hence, the SAP SMED 2025 was structured to be implemented in two pathways, namely, the *competitive pathway*, to promote global competitiveness, targeting high-growth and high-potential enterprises; and the *inclusive pathway*, to facilitate ASEAN's transition from traditional

economy through industrialisation and ensure that no enterprise is left behind from its initiatives.

Since 2016, the implementation of SAP SMED 2025 has led to over 100 initiatives in the form of capacity building programmes, experience sharing sessions, and development of reference materials and portals for MSMEs and MSME enablers in ASEAN. Holistically, these initiatives have benefitted about 100,000 MSMEs, including women and youth, as well as more than 300 MSME enablers (i.e., policymakers, financial institutions, incubators and accelerators).

Support infrastructure and programmes for ASEAN MSMEs

Of the many initiatives implemented over the years, I would like to focus on the relaunch of two long-standing flagship initiatives championed by the ACCMSME, namely, the ASEAN Access and ASEAN SME Academy, to provide direct support to MSMEs, especially in leveraging the advances in digital technologies.



“ MSMEs can register, at no cost, to use the services of the ASEAN Access and participate in the tailored-made business matching activities and events organised virtually through ASEAN Access MATCH. ”

Spearheaded by Thailand, with support from the Federal Government of Germany and the German Agency for International Cooperation (GIZ), the ACCMSME relaunched the **ASEAN Access**. This web portal provides market and trade-related information as well as virtual business matching services through **ASEAN Access MATCH** for businesses in ASEAN and beyond that wish to trade within and beyond ASEAN. Relaunched at the height of the pandemic in June 2021,

when travelling restrictions curtailed cross-border movements, the ASEAN Access is a cost-effective alternative, leveraging digital platforms for businesses to explore opportunities and seek partnerships beyond domestic markets.

MSMEs can register, at no cost, to use the services of the ASEAN Access and participate in the tailored-made business matching activities and

events organised virtually through ASEAN Access MATCH. Registered users of the portal may access country-specific information, get in touch with the relevant authority agencies and access a list of service providers providing commercial services pertinent to setting up businesses in a foreign country, such as market research, and distribution services.

The **ASEAN SME Academy** is an e-learning platform for MSMEs that was recently relaunched to version 2.0 in April 2022. Implemented in partnership with the US-ASEAN Business Council and the US Government, the ASEAN SME Academy 2.0 hosts entrepreneurial content from large multinational corporations such as Microsoft, Google, Amazon, Visa, and Mastercard

on topics ranging from finance, human resources, marketing, operations, and technology, including the usage of digital tools. Customised content on COVID-19 recovery is in the pipeline, scheduled to be released in Q3 2022.

First launched in 2016, the revamped platform offers learner-friendly design, multi-lingual support in Indonesian, Thai, and Vietnamese, and cross-platform compatibility. Similar to ASEAN Access, the service is provided to MSMEs free of charge. Our partner, US ASEAN Business Council, elaborates on the Academy at length in this issue as well.

Ensuring the resilience of MSMEs to global shocks in the future

Given the heterogeneity of MSMEs, there are no blanket solutions. For the purpose of this article, I will focus on recovery through digitalisation, which is one of ASEAN's priorities in the coming years.

The COVID-19 pandemic brought unprecedented growth to the digital economy. Ryan Holiday, author of the book *The Obstacle Is the Way: The Timeless Art of Turning Trials into Triumph* described the COVID-19 pandemic as a “forced lifestyle experiment.” For businesses, this meant adapting to new ways of doing business. Many had adapted well, even managing to turn pandemic-driven obstacles into opportunities and flourish during the pandemic. These turn-around were made possible by embracing digital technologies (World Economic Forum, 2021).

According to research from Google, Temasek Holdings and Bain & Co., *e-Conomy SEA 2021 (Roaring 20s: The SEA Digital Decade)*, Southeast Asia's internet economy is predicted to reach 360 billion US dollars by 2025, surpassing the previous prediction of 300 billion US dollars. The same research reported that the region added 60 million new digital consumers since the beginning of the pandemic, with 90

per cent of new digital users in 2020 retaining the usage of digital services in 2021. Digital is here to stay.

In addition, the Fourth Industrial Revolution brings about disruptive digital technologies that will transform manufacturing activities across the entire value chain. By 2025, it is expected that digital connectivity enabled by software and hardware technologies will fundamentally change ways of doing business. While it opens doors of opportunities, this megatrend also brings significant threats of labour displacement through automation and artificial intelligence.

For MSMEs to remain resilient and competitive, they must prepare to embrace digital transformation, either by being consumers or producers of digital technologies and services. There are opportunities for MSMEs to integrate into new markets by providing relevant services and products as inputs to global supply chains or by serving new consumer demand directly. This will require MSMEs to upskill and reskill themselves and their workforce to be able to digitally transform themselves and add value to their products and services.

ASEAN governments must work closely with the private sector to provide the MSMEs with the necessary support in this limitless endeavour. Incentivising MSME enablers, such as incubators, accelerators, and training centres, to provide upskilling and reskilling services/courses are instrumental. Beyond promoting reskilling and upskilling to MSMEs, ASEAN governments must work towards preparing and equipping the future workforce with market-relevant knowledge and skills for the digital future. This could be done through public-private partnerships to offer enterprise-based training and strengthen technical and vocational education systems. To leverage regional cooperation,



Informal micro enterprises targeted and captured in the report are those economic establishments owned by one person or a family or fall under a formal definition of micro enterprises for each of the ASEAN Member State. They are not registered (or are loosely registered), are not in the form of a formal legal institution, do not have a well-defined legal status and thus, are considered informal (or quasi-formal). They often employ less than 10 employees and rely mostly on family members as workers. They also include non-farm self-employed people who operate as sole proprietorship or sole traders, but are unregistered or loosely registered.

Source: Formalisation of Micro Enterprises in ASEAN, OECD, 2020

such programmes could and should be done cross-border where movements of talents and knowledge transfers should be encouraged.

In conclusion, I would like to emphasise that given the significant number of MSMEs and their importance to ASEAN, it is not a stretch to say that MSMEs are the backbone of ASEAN's economy. Through the ongoing process of ASEAN integration, there are plenty of opportunities for the region to collaborate to elevate the status and contribution of MSMEs in ASEAN Member States, ASEAN and subsequently promote their participation in the global economy. ■

Visit **ASEAN Access** at <https://www.aseanaccess.com/> and **ASEAN SME Academy** at <https://asean-sme-academy.org/>.



The complete reference list may be accessed at this link: https://drive.google.com/file/d/1WjQznCJriTXXjKR_PVLJ-Y4kEv2lf0qe/view?usp=sharing

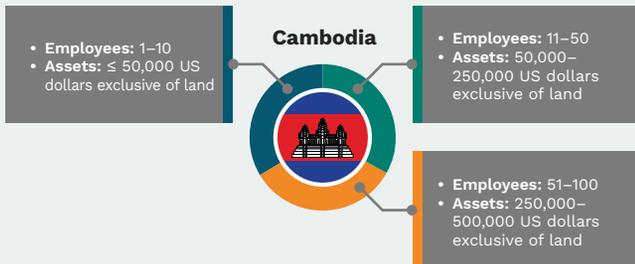
HOW DO ASEAN MEMBER STATES DEFINE MSMEMES?

- Micro-enterprises
- Small enterprises
- Medium enterprises

Brunei Darussalam



Cambodia



Indonesia



Note: Indonesian rupiah (IDR)



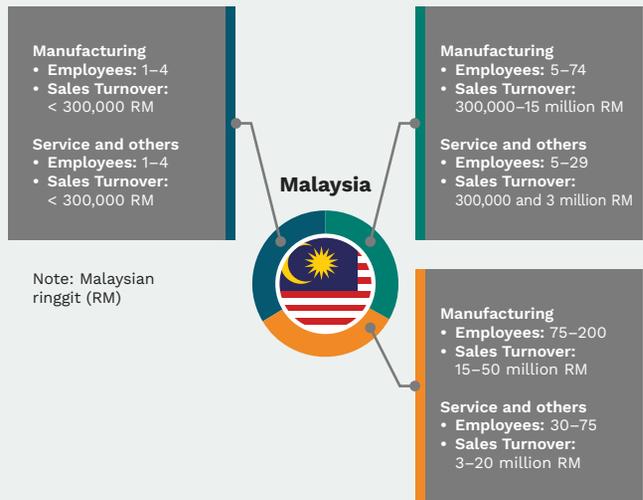
Lao PDR



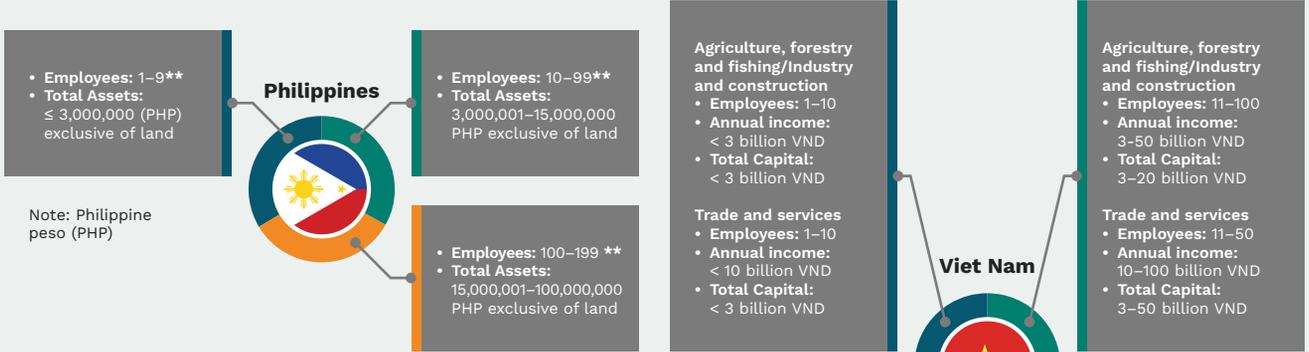
Note: Lao kip (LAK)



Malaysia



Note: Malaysian ringgit (RM)



* based on classification of SMEs by the Badan Pusat Statistik, Indonesia's national statistics bureau

** based on the classification of SMEs by the Philippine Statistics Authority, the Philippines' national statistics office

Source: ASEAN <<https://asean.org/wp-content/uploads/Definition-of-MSME-in-ASEAN-Member-States.pdf>>

ADAPT, UPSKILL, AND EXCEL:

Enhancing the Development of SME Productivity, Technology, and Innovation Through the ASEAN SME Academy



AMBASSADOR MICHAEL W. MICHALAK

Senior Vice President and Regional Managing Director
US-ASEAN Business Council

C OVID-19 created economic and operational challenges for the region's vast number of small and medium-sized enterprises (SMEs). SMEs comprise more than 90 per cent of the region's economy, so ensuring they are supported with the right skills and tools will be essential to the region's full economic recovery. Unfortunately, SMEs were disproportionately impacted by the pandemic due to their limited access to financial resources and technology relative to larger companies. Movement restrictions and lockdowns also forced many brick and mortar SMEs to shut down altogether while people were at home. Amidst these happenings, new consumer behaviour has emerged, accelerating a shift to online transactions and creating an impetus for SMEs to access and utilise digital tools now more than ever. By embracing digitalisation and committing to upskilling, SMEs can build back with greater resilience to actively participate in an economy defined by global megatrends such as the fourth industrial revolution, smart manufacturing, and the circular economy.

As recovery continues, many stakeholders—public and private—have rallied to support the digitalisation and upskilling of SMEs.

ASEAN has developed the **ASEAN Strategic Action Plan for SME Development 2016–2025 (ASEAN SAP-SMED 2016–2025)**. One of the strategic goals within the plan is to promote productivity, technology, and innovation. National labour productivity and R&D expenditures are key performance indicators to measure progress—and both were severely stunted during the pandemic. The plan also includes plans to: provide online services to support the ease of doing business and regulatory compliance; support fintech adoption to provide access to financing, debt financing, peer-to-peer lending,

and equity crowdfunding; and provide regional initiatives for capacity building with digital upskilling, new skilling, and reskilling as the theme (Mid Term Review: ASEAN Strategic Action Plan for SME Development 2016–2025).

Another multi-stakeholder initiative to support ASEAN SMEs is the **ASEAN SME Academy** (<https://www.asean-sme-academy.org>). This platform is the product of an ongoing public-private partnership between the US-ASEAN Business Council (under the US-ASEAN Business Council Institute or US-ABCI), the US Agency for International Development (USAID), and ASEAN under the ASEAN Coordinating Committee on MSMEs (ACCMSME). The Academy is also co-administered by the Philippines Department of Trade and Industry (DTI) and the Philippine Trade Training Center (PTTC).

The Academy was initially launched following a 2016 ACCMSME meeting in Singapore. It has since reached over 470,000 online visitors and has been accessed by more than 9,800 active users. There was significant growth in users throughout the pandemic, signalling that many SMEs are proactively seeking resources to upskill.

Courses in the academy, provided free of charge by private sector partners and industry leaders, are continuously updated to reflect evolving industry needs and megatrends. These courses are available to anyone from the general public, including government officials, the private sector, and students. The Academy is closely aligned with the priorities of governments across the region who support and promote the academy locally. Courses are organised into three levels: "Growing," "Ready to Export," and "Start-up." Overall, the Academy offers around 90

courses from 15 leading US companies on topics that include finance and accounting, operations, marketing, and trade and logistics. Digital marketing and payments are two of the rising topics in the highest demand for SMEs. Meta's *Boost Your Business with Facebook* and Visa's *Practical Business Skills* courses are examples of specific courses participants can take.

In 2021, the Academy underwent a major redevelopment and upgrade project to broaden its reach to more SMEs by offering a platform with inclusivity and accessibility at its core. The project team conducted various focus group discussions to seek feedback from existing Academy users as part of the redesign process. Some of the Academy's new features include:

- i. Multi-Language Courses:** Courses are available in Bahasa Indonesia, Thai, and Vietnamese. These additional languages create a more inclusive platform which will also broaden the reach of SMEs who access courses.
- ii. Certification:** Users can now receive a certificate upon completion of any course.
- iii. User-Friendly Design:** The new website is easy to navigate and mobile-friendly, so users can access courses from any location and on the go.
- iv. Academy Facilitators:** Users will have access to SME Academy Facilitators. Facilitators are still in a training phase led by Philippines DTI and PTTC.

The new SME Academy website was launched on Friday, 8 April 2022, followed

by a productive dialogue session on upskilling ASEAN SMEs. The launch featured participation from prominent ASEAN officials, including Dato Lim Jock Hoi, Secretary-General of ASEAN, and Dato Suriani binti Dato Ahmad, Chair of ACCMSME 2022 and Secretary-General of the Ministry of Entrepreneur Development and Cooperatives in Malaysia.

The Academy's overarching objectives are to support ASEAN SMEs in becoming more competitive in domestic, regional and global markets; guide high-performance SMEs in taking the leap to become regional business leaders and world-class suppliers in the global value chain; and improve accessibility and enhance ASEAN SME learning experience through one centralised platform.

To that end, the Academy's objectives align nicely with the ASEAN SAP-SMED plan pillars, including *enhancing industrial linkages between SMEs and MNCs and promoting key technology use and its application for business innovation*. Another avenue of additional support beyond the online courses is through live, in-country training sessions in each ASEAN Member State. The US-ASEAN Business Council conducts these training in collaboration with members under the broader SME Program. The in-country live training activities create a forum for shared learnings between SMEs, government officials, and US-ABC member companies. ■



We encourage you to visit the new academy and enrol in some of the available courses (www.asean-sme-academy.org). Courses on the ASEAN SME Academy are free and accessible to anyone registered on the website. If your organization is interested in contributing content to the academy, please contact Izniza Mustafa (iczniza.albakri@asean.org) and Nugraheni Utami (utami@usasean.org).



About the US-ASEAN Business Council Institute

The US-ASEAN Business Council Institute, Inc. is the charitable arm of the US-ASEAN Business Council (<https://www.usasean.org>), drawing on the spirit and power of the Council's membership to create opportunities for deeper engagement by U.S. companies in ASEAN. The Institute focuses its energies on activities that help educate and build the capacity and knowledge base of partners and stakeholders throughout Southeast Asia and serves as an important collective voice, amplifying the impact of U.S. companies' contributions and dedication.



Download the ASEAN Strategic Action Plan for SME Development 2016-2025 (ASEAN SAP-SMED 2016-2025) from this link: <https://asean.org/wp-content/uploads/2015/12/SAP-SMED-Final.pdf>

CONVERSATIONS

- On informal and tourism work, running small businesses, and staying afloat in a pandemic





BOGI DEWANTO

Taxi driver

Bogi Dewanto has been working as a taxi driver for 20 years. Before the pandemic, his job provided him with comfortable wages and a flexible working arrangement. He is considered a "partner," not an employee, of the taxi company. Bogi earns on a profit-sharing basis, and gets an additional bonus if he reaches a certain target income.

"I have been working as a taxi driver for 20 years now. Getting passengers used to be very easy before. People used to stop for taxis on the road and I even had a passenger showing up from behind a garbage bin. He was waiting for me behind the garbage bin with his child to shade from the sun. I didn't realise he was waiting for me there when I passed by him the first time, so he waited there for me. Nowadays, it's almost impossible to get a passenger like that. They would have been snatched by another taxi or gotten one online if I missed them.

"If it costs 180,000 Indonesian rupiah from Jakarta to Bogor by online ride-sharing versus 300,000 by conventional taxi, which one would you choose? The average customer would choose the cheaper option and use online ride-sharing instead. I think online ride sharing's biggest advantage is its cheap price. It also has many promotions to attract customers.

"I don't think we need to integrate with online platforms to compete. If we (conventional taxis) can lower the price to match those online ones, I think the customers will definitely choose us. Online platforms are a win-win solution for all except for the drivers. It's hard for the drivers since our share from the low price is further decreased by the platform's fee.

"In front of the taxi company's carpools, there are many banners encouraging those who want to have a good income to apply as taxi drivers. I would say that it is true. I usually

bring home around 300,000 rupiah per day and can earn a net income of around 7 to 8 million rupiah per month, almost twice the minimum wage in Jakarta. That's why I often told my customers who are office workers to not look down on taxi drivers.

"When the government imposed the large-scale restrictions on mobility in Indonesia, it was very hard to get customers. On some days, I could only bring home 5,000 rupiah after a full day of work. My late wife eventually asked me to take some time off instead of risking myself roaming around in the streets without getting any customers. We lived off our savings for around three months until the movement restriction was eased.

"I received some support during the pandemic, which really helped us to stay afloat. From the government, I received both cash incentives and food supplies. Many people also held fundraising activities to help taxi drivers like me. There were food supplies handed out every Friday near a TV station building sponsored by celebrities. I also once received a 5 kg sack of rice from a customer riding my taxi.

"Since the movement restriction has been relaxed, Jakarta's traffic is almost back to normal. I am starting to get more customers and can earn almost as much as I used to earn before the pandemic. Hopefully, the government won't have to impose mobility restrictions again in the future so that the economy can grow again and we can live comfortably again." ■

Interviewed by Priscilia Putri Nirmala Sari. The conversation has been translated, condensed, and edited for clarity. The views and opinions expressed in the text belong solely to the interviewee and do not reflect the official policy or position of ASEAN.



HOANG TRONG GIAC

Tour guide and
tour operator

Born in a small village in the north of Viet Nam, Hoang Trong Giac or “Jack” completed a degree in Vietnamese culture and history, while simultaneously learning English, Chinese, and Spanish in college. Jack started his career as an adventure tour guide in Da Lat, taking visitors hiking, trekking, and mountain biking. He eventually moved to Ho Chi Minh City where he started his own tour business, *Viet Nam Tour Guide* (<https://vietnamtourguide.com/en>), after a short stint as an office worker. His tour business is among the thousands that shut down and took a financial hit because of the COVID-19 pandemic.

“I worked with three other tour guides and one sales person. My clients were mainly foreign tourists—from Singapore, Malaysia, and Philippines, and also from Europe.

“Before the pandemic, I welcome normally 50-100 tourists per month. We usually get group bookings. We would get a minimum income of about 5,000 US dollars per month. Our maximum income comes in December, when we would welcome 200-400 foreigners and earn about 50,000 US dollars/month. That really made money.

“After COVID-19 spread in 2020, we had zero tourists, zero income. But I still had to pay the staff for six months. We had to pay for rent and taxes. I also have a loan with the bank that I have to pay, about 50 US dollars per month. So, for two years, we had nothing (because) all international flights stopped and no tourists were coming in.

“COVID-19 came so fast. We didn’t know what to do. We were just waiting and thought that COVID-19 would pass after one or two months and we could get back to work. So, during the first year, we didn’t have income, we were just waiting.

“But in 2021, we decided to find another job. My staff started working for a property company, insurance company, and so on. I started selling products online. We earn little, just enough money so we could eat. It’s been a difficult time. I retained our office only for one year because the owner agreed to half

of the rental price, but after that I let it go because I ran out of money in the bank.

“Because of the many paper requirements, most tour guides did not get much help from government (during the pandemic). Those who got help received very little money—not enough to get back to normal life. Many tour guides who volunteered (as frontliners) also caught COVID-19, some passed away.

“In Viet Nam, most tour guides work freelance. We don’t have social insurance because we would need to pay more taxes and contribute money. We never thought there would be something like COVID-19 coming so we did not buy insurance. I don’t have insurance in my company as well.

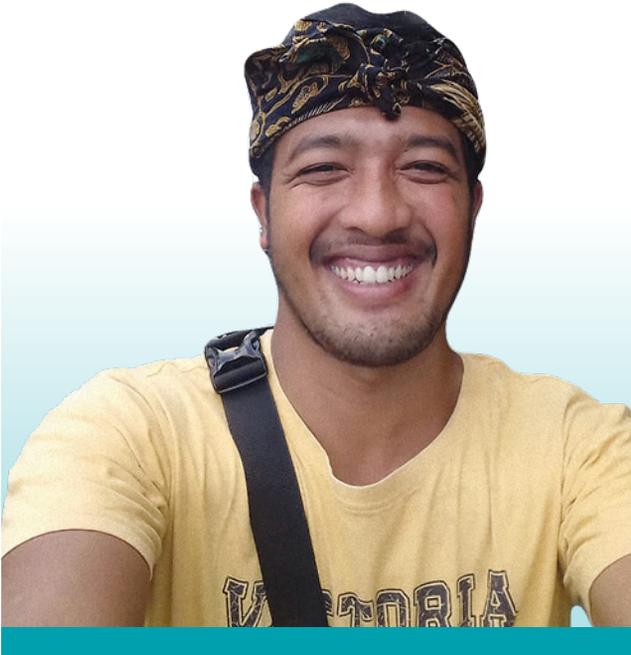
“On 15 March 2022, Viet Nam opened up (its borders) to foreign tourists. So now the tourists are coming. We are getting back to normal and no one cares about COVID-19 anymore since everybody has been vaccinated. We just wear masks and it’s okay.

“Now tourists can visit Viet Nam without being quarantined. They don’t need vaccine papers. They just need to take a COVID test 24-hours before leaving for Viet Nam. I see the light at the end of the tunnel.

“I started to advertise and got inquiries from tourists already. I have bookings from May to December. For now, it’s just me who will do the tour. I’ll wait until next month to make sure that we have enough tourist bookings to pay the salary of staff. Also, it may take another month or two to rehire the staff because they are working for other companies and are in another village now.

“We are very happy that the government has decided to re-open. We hope that it will further ease up the entry policies for tourists.” ■

Interviewed by Joanne B. Agbisit. The conversation has been condensed and edited for clarity. The views and opinions expressed in the text belong solely to the interviewee and do not reflect the official policy or position of ASEAN.



KETUT PUTRA YASA

Driver and tour guide

Bali Island in Indonesia is often called the “Island of God” for its rich tradition and beautiful scenery. Attracting more than 6.5 million tourists from around the globe in 2019, it is one of the world’s top tourist destinations. Its economy relies heavily on the tourism industry and many Balinese people depended on it for their livelihood as well. Ketut Putra Yasa is one of those who makes a living out of Bali’s lively tourism scene. As a private driver based in Ubud, Bali, most of his customers are foreign tourists, which is why his business was badly hit when the borders closed due to the COVID-19 pandemic.

“Before the pandemic hit, tourism in Bali was bustling. I used to be able to save up to 9 million Indonesian rupiah per month during the high seasons, and had three cars that I used to rent.

“Unlike taxi drivers, I don’t only pick up and drop off my guests, but I can also arrange a customised tour course/route for them. Although I am not a licensed tour guide, I learned English so I can help to explain about the tourist sites and converse with the guests. I can also help to arrange for a licensed tour guide should the guests want a more detailed explanation.

“The pandemic has hit me and my family really hard. As the borders closed, the tourism industry in Bali was badly affected. I had almost no guests at all for the past two years. I have been struggling a lot financially. I even had to sell my belongings and also all my cars. Some days, we barely even have enough to eat.

“As drivers, we usually have a team of fellow drivers whom we can trust so we can help each other in case of any issues.

I work in a team of three, and we usually cover for each other when one of us is sick or needs to attend religious ceremonies. We also refer guests to each other.

“Since we had no income during the pandemic, I started making Balinese roasted nuts and selling them to local restaurants. This has helped my family to stay afloat when there are no guests. Many others also had to switch jobs, working odd jobs to make ends meet, although employment was hard to come by as almost everyone in the island was also struggling.

“In my case, the only social assistance I received was the electricity subsidy. My burden was relieved a little bit when my former customers went for a long stay in Bali and used my service. Many people others were not as lucky and lost everything that they have because of the pandemic.

“Nowadays as the borders open up again, I have started to get some guests again but the number is still incomparable to before the pandemic. Most people in Bali depend on the tourism industry so even when the tourists started to come in, it’s still not like what it used to be.

“I am now starting over again as I took out a new car loan. If borders are opening up again for tourism and quarantine measures are relaxed, perhaps it would incentivise tourists to come again to Bali. I really hope that the tourism industry can recover again and that the economy will go back to normal soon.” ■

Interviewed by Pricilia Putri Nirmala Sari. The conversation has been translated, condensed, and edited for clarity. The views and opinions expressed in the text belong solely to the interviewee and do not reflect the official policy or position of ASEAN.



MARIE ASHLEY E. MENDOZA

Food business proprietor

A licensed architect by profession, 31-year-old Marie Ashley E. Mendoza had a full-time job and was pursuing her Masters' degree in Tropical Landscape Architecture when the COVID-19 pandemic struck in 2020. Ashley and her life partner/co-worker, William Giron, decided to set up a food business called *PorkMaru Crispy Pata*, after both of them lost their jobs due to the prolonged lockdown. Their business soon took off and was later featured in local media outlets.

“We started this online business from scratch—from choosing its name to developing recipes and sourcing out materials, equipment and suppliers. And all were just based on personal work and research. It’s funny how an architect and an engineer (my partner) became instant cook and kitchen staff of our own business. We started last 2020 with just ourselves. Now we have two full-time and one part-time staff who work with us in our home set-up.

“We used our own capital to start *PorkMaru Crispy Pata*. We started small, and we are still a young and growing business. For the moment, we still operate as an online business, and plans of legalising documents and getting permits to maximise our potential, are still underway.

“There are a lot of challenges in running a small business. Being an entrepreneur for the first time is the biggest challenge we continually face. We had to learn everything from scratch. Both of us had no background in business, marketing, or accounting, that’s why it was a challenge to start and deal with business matters. What we do is we continually research and attend seminars that will help us learn more about the business.

“The minimal earnings we get from selling our products pose another challenge. There are days when we sell a lot while there are days when we get zero sales. So, the challenge we face here is how to maintain our confidence and faith in the business despite the daily ups and downs. During these times, words of encouragement from families and friends, and positive feedback from customers help us to be more confident, improve more, and aim the best for our business.

“The pandemic paved the way for us to own our business. Income-wise, it is still average. We are continually investing in improvements and upgrades hoping that someday we’ll

reap the fruits of our labour. Aside from *PorkMaru Crispy Pata*, we are doing side jobs such as construction projects to support our personal finances and business as well.

“Living and doing business during this pandemic made us realise that nothing is permanent and predictable nowadays—one day, the economy is bouncing back, the next day it closes again. So as a young and growing business, we need to adapt to the trends and react readily to unstable situations. I also learned that joining support groups in line with your business helps a lot. We were able to join one online food association where vendors like us gather to support and promote each other. It’s a big help for brand awareness and learning as well.

“As for the moment, we don’t have health insurance and social security yet. One big reason for this is that our current earnings are not yet stable and sufficient. We are also still processing our documents. Once we register and get our permits, we are hoping that it would open more opportunities for us and eventually generate more sales for the business. With this, we hope that we’ll be able to provide the benefits that we and our staff deserve.

“We’d like to grow and develop more our brand and business. It is everyone’s dream for their business to be famous and become the best in what they offer. We’d love to process our documents to be able to expand from one branch to another. We hope that people will notice and love the food we offer. We also hope to make people happy through our food. It is such a fulfilling moment for us whenever we receive compliments and positive feedback from our customers. Through these, we are inspired to push more and become better. We’d also love to help and inspire other small and young businesses like ours to keep on passionately working for their business.

“As for the government, we would appreciate if it could provide more training for small businesses like ours. We would also love to have some support system, for example, activities that can educate us on filing of permits, taxes, and other business processes. We would also appreciate if it could grant us tax exemptions, and provide starters with free capital to start their own business.” ■

Interviewed by Joanne B. Agbisit. The conversation has been condensed and edited for clarity. The views and opinions expressed in the text belong solely to the interviewee and do not reflect the official policy or position of ASEAN.



ILAW LLANZA ROSIMO

Specialty store owner

Ilaw Llanza Rosimo started her specialty store, *Munting Ligaya*, in Baguio City at the height of the COVID-19 pandemic. What started as a way to earn extra income and keep herself occupied during the long lockdowns became a full-blown business, with both a physical store and online presence. Ilaw did not let the threat of COVID-19 and the difficulty of registering her business deter her from her goals.

“I initially started selling ceramics because I wanted to make some extra money on the side, but I was motivated to sell crystals because I was a passive collector who thought that crystals should be available to anyone who wants to start collecting or those who just appreciated the ‘shiny rocks.’ My first crystal collection started with only three crystals that I posted on my Instagram story because that was all I could afford to source. Now, our collections have gotten a lot bigger, from one small basket at the shop to a whole spread.

“The initial capital I used was from my own pocket and my partner/boyfriend wanted to help me with the business so we now manage *Munting Ligaya* as a team. The business permits were a little difficult to process due to new requirements. One of the challenges for me in running a small business is having to balance the time between my full-time job and the business. Luckily, I now have help with that.

“I started during the pandemic and I honestly don’t think I’d have *Munting Ligaya* if I didn’t get stuck in my hometown for the duration of the lockdown. Usually, the location of the shop, *Ili-Likha Artists Wateringhole*, has a lot of foot traffic from tourists, but due to the travel restrictions, it has been a lot harder to get walk-ins. Luckily, the business also thrives online and the steady flow of tourists in Baguio is helping, with increasing numbers of walk-ins again. I think this is applicable to all the shops at *Ili-Likha* and Baguio in general.

“I used to make a lot less when I was selling ceramics. They moved a lot slower than the crystals. I actually started selling the crystals while I was in between jobs and it really helped me stay afloat. It also helps that I really, really love what I do and I’m just grateful I found something I love doing. From learning more about the crystals, how they form, their properties and different varieties, to shooting them for the collection and getting them to their homes.

“Currently, the only help I get are from my partner, the other shop owners, and occasionally, my sister. *Munting Ligaya*’s physical shop is housed in a bigger shop called the Living Room located at *Ili-Likha Artists Wateringhole*. The Living Room houses four other shops (Champagne and Trinkets, Pinsel, Grow Room, and Highland Plants.co) and we (the shop owners) all take turns in watching the shop during the week. We are only now considering hiring part time staff who will be getting paid per day and will also get commission on a certain number of sales.

“I hope to further scale-up *Munting Ligaya* with bigger collections, more stocks, and hopefully, one day, a crystal showroom for bigger and more unique pieces. I also hope that one day it will be steady enough for me to put all my focus on, if you know what I mean.

“I have a lot of plans in play but I have to remember to take it one step at a time. As for government assistance needed for small businesses like mine, it would be great if the requirements weren’t so bizarre. For example, one of the requirements is having a parking space which isn’t possible for us small businesses. Another example is *taho* (sweet silken tofu) vendors needing a fire safety permit. Clearer guidelines from the government would be highly appreciated.” ■

Interviewed by Mary Kathleen Quiano-Castro. The conversation has been condensed and edited for clarity. The views and opinions expressed in the text belong solely to the interviewee and do not reflect the official policy or position of ASEAN.

SHIFTING CURRENTS

- Unleashing the power of women entrepreneurs
- ASEAN-US Science Prize winners: Women scientists for clean air and water
- ASEAN-India work towards green energy
- Opportunities for the ASEAN-UK Partnership



Unleashing the Power of Women Entrepreneurs



CHUSANA HAN, PHD
HEAD, POVERTY ERADICATION AND GENDER DIVISION
ASEAN SOCIO-CULTURAL COMMUNITY DEPARTMENT

Gender equality is necessary for a peaceful, prosperous, and sustainable world. Women's entrepreneurship plays a crucial role in advancing global economic empowerment and closely interconnects with gender equality. Empowering women has multiplier effects on poverty eradication and economic growth.

Over the past two decades, the ASEAN Member States have made remarkable progress towards reducing poverty and gender inequality in vital areas, such as increasing women's per capita income, access to education, participation in decent employment, and decision-making roles (ASEAN and UN Women, 2021).

Women entrepreneurship is key to promoting this inclusive economy across the region. Over the past decade, the number of women entrepreneurs has increased steadily. According to the Global Entrepreneurship Monitor 2018, more than 60 million women across ASEAN operate micro, small and medium enterprises (MSMEs).

The COVID-19 pandemic has disproportionately affected women entrepreneurs for several reasons. Lockdowns and working from home have placed an extra burden on women who are also most likely to be responsible for child and elderly

care. Women comprise the majority of temporary workers in the informal sector who are less protected by social safety nets. They face more difficulty in accessing credit, which is fundamental for the survival of their firms in times of economic downturn, compared to men counterparts (Marsan and Ruddy, 2020).

The G20 countries' Global Partnership for Financial Inclusion and the Indonesia G20 Presidency organised the G20 Workshop on Digital and Innovative Financial Products and Services for MSMEs Beyond Credit, a virtual workshop on 2 March 2022. The showcase of innovative non-credit financial products and services helps MSMEs recover from COVID-19 and advance digital financial inclusion. Primarily targeting women and youth start-ups, the event highlighted that monetary support is not the sole determinant of success. Technological-based knowledge and skills, including digital payments, insurance, leasing, guarantees, risk management, and other non-financial aspects, are also critical and offer considerable benefits to women-led businesses' growth and sustainability.

The world economy has plunged into recession since the COVID-19 pandemic broke out. Global growth contracted by -4.9 per cent in 2020, with almost all countries in ASEAN experiencing negative growth, except Viet Nam (WEO, 2020).

However, the accelerated digitalisation of various sectors across the globe is considered a silver lining despite the massive disruption caused by the pandemic.

Still, the increased adoption of Artificial Intelligence technology and digital technology threatens many women workers whose skill sets do not match the current requirements of their job or future job opportunities. The shift to technology during the COVID-19 pandemic has certainly forced many women's manufacturing and services jobs out of the market. A recent Cisco and Oxford Economics study titled *Technology and the Future of ASEAN Jobs* estimated that 6.6 million workers in ASEAN would be required to adapt their skills and forge new careers to remain productively employed over the next decade. Women entrepreneurs, in particular, need to acquire new or upgrade their skill sets to meet the requirements of fast-changing technologies and take advantage of emerging market opportunities.

Over the past few decades, the Southeast Asian region has sustained its economic growth trajectory. The success has translated into financial gains for women and increased in female labour market inclusion. In 2015, female labour force participation in Southeast Asian countries was close to 67 per cent, exceeding the OECD average female labour force by about five percentage points (OECD and ASEAN, 2017). ASEAN's women have a bright future in employment and entrepreneurship.

New MSMEs jobs are being created along the lines of digital technologies following the Fourth Industrial Revolution. The ASEAN Member States have assessed the market requirements and relevant women's skill sets to enhance their entrepreneurial capacity. They acknowledged that the pandemic obstructed economic growth due to mobility restrictions and the disruption



of the supply chain. However, it has opened up a wide range of opportunities for digital learning and remote work arrangements for women. The ASEAN addresses the critical barriers to women's entrepreneurial activities post-COVID-19: women's inability to access appropriate technological-based knowledge and society's gender stereotyping of jobs. Providing women access to business networks and the environment is essential, but these challenges vary due to cultural norms.

On the digital economy wave, the ASEAN is amongst the fastest growing economies, creating an internet market and new jobs. The *ASEAN Gender Outlook* (ASEAN and UN Women, 2021) estimated that 125,000 new users join the market every day, which offers tremendous opportunities. Unfortunately, most men occupy those related jobs. Several countries in ASEAN confirm the intensification of women's unpaid care and domestic work tasks, such as cooking, cleaning, water collection, and care of children, especially during the stay-at-home and

lockdown phases of the pandemic. Women's time used in unpaid care is a constraint for participating in the economy when compared with that of men (ESCAP, 2021). The ASEAN market economy data also showed a wage gap, with women earning 58 per cent less than their partners. For men, the opportunity to be employed in the digital economy is about 11.5 times higher than for women. The report further noted that women in the region are more likely than men to live in poverty. And during the COVID-19 pandemic, about 30 per cent of women said their domestic work intensity had increased, compared to only 16 per cent of men.

Gender inequality, therefore, remains to be addressed by the ASEAN Member States. It underpins the differences between women and men in access to entrepreneurial opportunity, resources, decision-making, and social connection for businesses. It covers the cultural norms that prohibit women from meaningful participation in new opportunities, businesses, and job environments.

“ Women sought out more government support for mentoring and business literacy and assistance with teleworking arrangements. Furthermore, the pandemic has exposed more women users to cybersecurity and online safety risks in an environment where cyber hygiene practices are generally poor. ”

Women's barriers to entrepreneurial success include the lack of training opportunities, spatial mobility, and lack of family and institutional support. To ensure gender inclusion, women's potential for entrepreneurship, especially in the digital technology-based knowledge and skillset, needs to be unlocked by addressing the underlying causes of these issues.

Lack of technological skill sets

Women's traditional occupational training leaned heavily towards hospitality services, such as children and elderly care, cooking, sewing, and hairdressing, which do not match the market demand. This narrow female stereotype should be addressed by shifting the focus of training to enhancing women's technological knowledge and entrepreneurial management skills.

Facilitating flexible working arrangements for mothers and fathers in the employment setting could also boost the mother's participation rate in training activities. More free time could encourage women to attend more extended courses or gain technological knowledge, such as setting up an online or digitalising businesses to succeed in their entrepreneurial activities (UN Women, 2021).

Digital and gender divide

The waves of digitalisation have brought both positive and negative effects on women's entrepreneurship. Those who ventured into and kept abreast of technological developments are more prepared and are gaining the most from the new market landscape shaped by technologies. However,

globally, women entrepreneurs are often poorly represented in technology start-ups, especially those in poor rural areas (Klingen, et al., 2021). Digital skills and access to digital infrastructure, digital public platforms, and digital financial services remain critical barriers for women due to cultural norms, lack of appropriate skill training, and public investment in this sector. Women's access to a shared digital platform often requires registration costs and, in some instances, even the endorsement from a male spouse. The digital financial services for receiving wages and monetary assistance from government schemes during the COVID-19 pandemic can save women's time and enable their sense of self-control, including privacy, contributing to women's empowerment. However, many women are marginalised from these services due to knowledge barriers and lack of access to support groups and networking to utilise these available financial online services confidently.

During the pandemic, more women-led MSMEs had to close their businesses temporarily. They have been disproportionately affected, as many are in the informal and gig economy sectors, which were hit hard by lockdowns. Adapting to the new normal from the COVID-19 pandemic has forced many businesses to switch to online activities and increase their digital presence using digital platforms to connect to customers for short-term services. Examples include ride-hailing and food delivery application use. These online activities have exposed the digital divide, where

most women-led businesses cannot adapt to the challenges and suffer more significant losses than men-led MSMEs. Women sought out more government support for mentoring and business literacy and assistance with teleworking arrangements. Furthermore, the pandemic has exposed more women users to cybersecurity and online safety risks in an environment where cyber hygiene practices are generally poor (Curtis, et al., 2022).

Limited access to formal financing and business networks

Financial inaccessibility has been a persistent hindrance despite the growth and contribution of women-owned businesses in both the formal and informal sectors in Southeast Asia. A study on women-led MSMEs in four Southeast Asia countries showed that 48 per cent in Cambodia, 39 per cent in the Philippines, 31 per cent in Indonesia, and 25 per cent in Viet Nam relied on informal sources of financing, i.e., from friends and family instead of bank loans. Women's access to formal banking and financing in some cultures and religions needs the consent of male family members. Further, women's businesses are informal and lack documentation of their business operations; they lack collateral such as land, building, security papers, or deposits. In many cases, women often lack ownership rights due to a religious or cultural tradition of registering assets to men. Women often lack a network from which they can gather information regarding financing options, access a role model or mentor, or connect with other women who can provide advice (Women's World Banking, 2015).

Moving forward

Given the barriers mentioned above, ASEAN's policy has paid attention to the implications for improving women's meaningful participation in various entrepreneurial activities. Governments and partner agencies have taken concrete steps to close the gender gaps through digital technology



education and address the critical root causes of gender inequality. Weaknesses in digital skills within MSMEs contribute to economic vulnerabilities across the region. Digital skills development is a necessary complement to technology adoption and a key driver of resilience for economies to weather disruptive changes and external shocks. ASEAN Member States need to prioritise the digital skills growth of women to unlock their productivity. Information technology policy needs to accompany digital skills and gender awareness investments.

Disruptive technology and digitalisation have already affected women's day-to-day business operations and lifestyles. The COVID-19 pandemic seems to have accelerated digitalisation, and many women workforces in ASEAN have already realised their skill sets do not match the requirements of future job opportunities. The ASEAN Member States' policies will need to pay close attention to upgrading or reskilling the labour force, emphasising women's skills as their barriers are more complex than their men counterparts.

It is essential to build digital skills and technology early and stir girls' interest and confidence in these fields. Complementing technical skills

training with soft skills through practising internships, apprenticeships, and job placement programmes will help girls and women unlock their potential. These skills will prepare them to fill labour market demands and take on high-risk entrepreneurial ventures that may lead to greater economic gains. During this ongoing pandemic, it is critical for girls and women to continue learning without disruption by giving them access to digital technologies, such as mobile phones, computers, and the internet. It is central to women's empowerment and inclusive economic recovery.

ASEAN Member States need to pay close attention to all forms of discrimination and misperception of gender equality that continue to exist in complex societies. At work, maternity and paternity leaves are necessary to divide the burden between men and women in childcare. Shared childcare duties will give women more time to engage in their professional careers and not be forced to drop them entirely. Furthermore, policy intervention to provide flexible time and free women from the burden of household responsibilities will help them advance their professional development and take on crucial entrepreneurship activities. Finally, the Member States need to continue to work

on eliminating all forms of violence against women through modernising the legal framework to protect women from domestic violence and harassment at the workplace.

Led by the Ministry of Women's Affairs of Cambodia as the Focal Point for ASEAN Committee on Women (ACW) Cambodia, the *Declaration on Unlocking Women Entrepreneurship in ASEAN* is one of the critical milestones and deliverables related to the promotion of gender equality and empowerment of women and girls. The declaration is expected to be adopted by the ASEAN Leaders at the 40th and 41st ASEAN Summits in November 2022. Under Cambodia, as Chair of ASEAN 2022, the declaration aims to serve as a manifestation of the high-level regional commitment of the ASEAN Leaders to support and foster women's economic empowerment and women entrepreneurship as a critical path toward recovery from the COVID-19 pandemic, long-term resilience, and sustainable development for all. ■



The complete reference list may be accessed at this link: https://drive.google.com/file/d/1hjAPbhmRHBITCQQ01NobGKDZFKOz_EBG/view?usp=sharing

CLEAN AIR AND CLEAN WATER FOR ASEAN

ASEAN-US Science Prize for Women 2021



KIRAN SAGOO, PHD
SENIOR OFFICER, ANALYSIS DIVISION
ASEAN SOCIO-CULTURAL COMMUNITY DEPARTMENT



PRICILIA PUTRI NIRMALA SARI
OFFICER, ANALYSIS DIVISION
ASEAN SOCIO-CULTURAL COMMUNITY DEPARTMENT



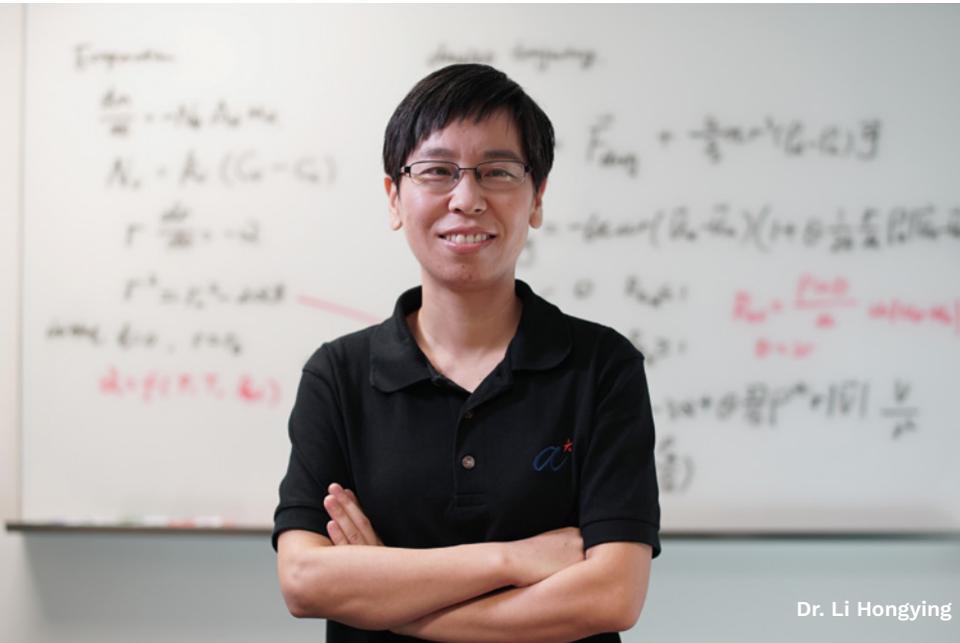
Dr. Neni Sintawardani

Scientists from Indonesia, Malaysia, Myanmar, and Singapore clinched the prestigious ASEAN-US Science Prize for Women 2021 for their outstanding professional achievements. Taking the theme of “Clean Water and Clean Air,” the prize sought to recognise women scientists who have made significant strides towards addressing air pollution and facilitating people’s access to safe water and sanitation in the region.

The ASEAN talked to the winners, Dr. Li Hongying (mid-career scientist category) and Dr. Neni Sintawardani (senior scientist category), and honourable mention, Dr Aduwati Sali (mid-career scientist category), about their journeys as researchers and their aspirations for women scientists in ASEAN.

Dr. Neni Sintawardani

Dr. Neni Sintawardani is a senior researcher at the National Research and Innovation Agency, Indonesia (BRI, formerly Indonesian Institute of Sciences or LIPI), whose work focuses on water sanitation and wastewater treatment from agro-industrial processes. To increase the efficiency of clean water usage and the availability of clean water in the community, Dr. Sintawardani has also been highlighting the importance of using transdisciplinary approaches for managing the social aspects of technology implementation.



Dr. Li Hongying

“We needed to find solutions to adapt to their needs and also work to shift their mindset. Changing the mindset is a difficult and long process. Meanwhile, monitoring and evaluation are rarely part of a donor’s funding scheme. That is the main challenge of implementing technologies.”

“As an engineer, I used to approach a problem from a technological perspective and try to find solutions by using technological means,” she said.

“However, after years of experience working in the field of sanitation, I’ve come to realise that technology is only a small part of the solution. The technology that we tried to introduce as the solution is often abandoned by the community once the project is completed.”

For her project on wastewater management in a tofu-producing village in Sumedang, Dr. Sintawardani wanted to change the pattern and allow the community to raise and solve the issues themselves. She visited the village for about a year to explore the issues

and appealed to the tofu producers’ sense of shame and aversion to being labeled as a polluter in the community as the starting point for her project. The tofu producers then became involved in the process of identifying proposed solutions, cultivating their sense of ownership of these solutions.

Dr. Sintawardani noted, “They were eager to contribute and eventually created an association of tofu producers to help facilitate the process. This association later took ownership of the project; bought a 350-square meter piece of land, more than double the required size, to be used for the facility; and helped to organise the local community in using it. I believe this is the key factor that contributes to the success of the

project’s adaptation and acceptance for implementation in the community. The association’s representative learned how to operate the technologies, simplified them, and became the caretaker of the facility. They realised their responsibility to not pollute the environment and it motivates them to act.”

Dr. Sintawardani believes that the economic benefit, pride, and sense of ownership help with the sustainability of the technology application. “We needed to find solutions to adapt to their needs and also work to shift their mindset. Changing the mindset is a difficult and long process. Meanwhile, monitoring and evaluation are rarely part of a donor’s funding scheme. That is the main challenge of implementing technologies,” said Dr. Sintawardani. “People will easily want to use and keep the technology if it can solve their problems and provide economic benefits. The value chain concept has been the driving force of our research.”

Dr. Li Hongying

For the past ten years, Dr. Li Hongying from A*STAR’s Institute of High Performance Computing (IHPC) in Singapore has been working to develop advanced computational fluid dynamics modeling that translates to a positive impact on the environment and its sustainability.

She has been involved in several projects related to this year’s theme of “Clean Water and Clean Air,” including the Semb Eco Ballast Water Management System. With the significant growth of shipping services in ASEAN and marine traffic across ASEAN, effective management of ballast water has become an important issue. Improper discharge of contaminated ballast water could badly contaminate or introduce invasive species and organisms to the marine environment.

In collaboration with Sembcorp Marine, Dr. Li developed a computational fluid dynamics (CFD) framework based on the latest digital modeling and simulation technology. “We didn’t have our own

UV treatment system in Singapore and came up with the idea of using UVC to treat the ballast water before it is discharged into the ocean,” she said. “With this computational fluid dynamics framework, we were able to create the most efficient UV-based Ballast Water Treatment System by adjusting many variables for optimal results even before it was physically built.”

“This is the first Singaporean product for this kind of industry which has also been marketed globally. We think that this could benefit not only Singapore or other ASEAN countries, but also the whole world,” Dr. Li added.

In her project at A*STAR’s IHPC, Dr. Li has developed computational fluid dynamics models to predict droplet dispersion in both indoor and outdoor settings, to better understand the trajectories of airborne droplets and help curb the COVID-19 transmission. It is the first study that incorporated viral loading in the droplets, allowing the transmission risks from both the large and small droplets to be estimated.

Dr. Aduwati Sali

Dr. Aduwati Sali’s interest in mobile and satellite communication developed early on. When she was little, her late father, a firefighter assigned in the airport in Penang, Malaysia, would take her near the air traffic control tower to check all the flights coming in and out. She was amazed by how the air traffic controller managed everything wirelessly.

“I am interested in how wireless communication can help with our daily life. It’s not something extraordinary that normal people cannot relate to,” said Dr Sali.

When she returned to Malaysia, after her studies, Dr. Sali experienced first-hand the impact of transboundary haze caused by forest fires in the region. Dr. Sali then decided to work on a project that uses the Internet of Things (IoT) system to help manage forest fires in peatland areas in Malaysia, Brunei, and Indonesia. Peatland forest fire is unique

since the carbon content in the soil makes it easier for the fire to spread, especially underground. If a fire starts in one area, it can easily spread and affect other areas. Consequently, the fires produce thick and widespread haze that affects neighboring countries.

“In Malaysia, we are using the IoT to monitor forest fires through monitoring the peatland data, such as soil moisture, soil temperature, and groundwater level in Raja Musa Forest Reserve,” Dr. Sali said. “We also connect it with the weather station and have an early warning system to alert the forest rangers when the level is below our threshold. Then, the forest rangers can switch on the water pumps in the area to increase the groundwater level and prevent the possibility of a forest fire. The system model is being replicated in Jambi, Indonesia and Badas, Brunei.”

Due to the regional nature of the issue, she is also collaborating with researchers from Brunei and Indonesia. “Working together with partners from

other ASEAN countries led to a breakthrough for us in receiving funding,” she said. “We have been trying to apply for funds locally, but it was hard to get. When we applied together, we got approved and were astounded by the success. We want to make sure that this project can be easily replicated and will benefit the stakeholders, especially the local communities.”

Empowering women in STEM

Receiving the ASEAN-US Science Prize for Women has been a significant milestone in the careers of the awardees. It is a recognition of their hard work and dedication over the years. It serves as a motivation for them to continue as role models who can inspire and empower other women in STEM. The award also gives them a platform to increase the visibility of their research and open new opportunities for future collaborations.

“An award for a senior-level researcher is very rare,” said Dr Sintawardani. “When I got this award, I felt that I was finally



Dr. Aduwati Sali



“ We need women to empower women. We need women to understand women. ”

being recognised for my work and my team’s work. A researcher’s work can be seen from their track record. We can only see their achievements after years of working on the same issue or topic. I think the US-ASEAN Science Prize for Women is unique since it recognises this. Many of my fellow senior researchers have their passion in research sparked again upon learning of this prize.”

Similarly, Dr. Li and Dr. Sali expressed that receiving this award has inspired those around them and encouraged them to share their experiences as women scientists. Dr. Li shared that after receiving the prize, her daughter has been studying even harder because she wanted to emulate her mother. Dr. Sali also mentioned that fellow women scientists have approached her for tips on applying for the prize.

“For women scientists, the most difficult thing is to balance our private life with work, especially when we have children and families to take care of,” said Dr. Li. “It is important to know when we are most productive. No matter how busy we are, try to squeeze in some time for the family. My children are not only one of the most important parts of my life, but they also help me recharge.” Flexible working arrangements, childcare facilities, and good time management can also help women in balancing private life and work.

However, the issue sometimes goes beyond just time management. Women scientists experience self-doubt and are reluctant to say if they feel overwhelmed at work or are unfairly treated. But, Dr. Sali advised, “Admitting our limits is not the same

as admitting weakness, but it’s empowering ourselves. It’s not like you have to abandon your family because of work. You can excel at home as a wife, daughter, daughter-in-law, and you can be excellent at work. Just believe in yourself and know your limits.”

The three scientists stressed the importance of having a good support system, both in the family and the workplace. Having senior faculty members or researchers as mentors and role models could also help bring more women to STEM. “We need women to empower women. We need women to understand women,” Dr. Sali added.

Collaborative network for women scientists in ASEAN

The three scientists expressed hope for more research collaborations in ASEAN. They all wish for a network between universities and research institutions in the region, particularly for women researchers and university students. As countries are transitioning to a new normal, they also hope that more funding, such as the SHARE Scholarship, can be utilised to allow mobility, exchange of ideas, and knowledge sharing within the ASEAN region.

“When talking about ASEAN, water-related issues are a common topic across the region. If we can work together to solve these issues, we can create something big. Not only solutions with high technology, but also those that can be easily implemented at the grass-root level. Water and sanitation are human’s primary needs that affect one’s quality of life and happiness,” said Dr. Sintawardani.

“We often face each other in competitions. I’m not saying that competition is bad, but sometimes when faced with limited resources, collaboration and supporting each other would allow us to do so much more,” Dr. Sintawardani added. ■

ASEAN-India Cooperation on Energy Transition



BENI SURYADI
MANAGER, POWER, FOSSIL FUEL, ALTERNATIVE
ENERGY AND STORAGE DEPARTMENT
ASEAN CENTRE FOR ENERGY (ACE)

The year 2022 coincides with 30 years of ASEAN-India dialogue relations and, as a befitting tribute to the deepening relations, it has been designated as the “ASEAN-India Friendship Year.”

The natural progression in the ASEAN-India relationship from Sectoral Partnership in 1992, Dialogue Partnership in 1996, Summit-level Partnership in 2002, to Strategic partnership in 2012 reflects the widening horizon of ASEAN-India relations as India and ASEAN strive to achieve new heights.

Keeping this in view, the success of the ASEAN-India High-Level Conference on Renewable Energy with the theme “Experience and Innovation for Integrated Renewables Market,” which was held virtually on 7-8 February 2022, is encouraging. The ASEAN Centre for Energy (ACE) and The Energy Resources Institute (TERI) of India organised the conference. It consisted of an inaugural ministerial session, five technical sessions, and a closing session.

The conference was attended by energy ministers, senior officials, academia, the private sector from ASEAN and India, and experts from international organisations.

In his keynote address, Shri R.K. Singh, Minister for Power and New and Renewable Energy of India, emphasised that India and ASEAN can work together to develop an entire ecosystem for renewables that promotes knowledge sharing, capacity building and technical assistance; and also explore joint initiatives for the development of renewable energy manufacturing hubs in the region.

He applauded ASEAN’s efforts to achieve the development of the ASEAN Power Grid and highlighted that India foresees opportunities to expand this grid integration beyond ASEAN to the Indian sub-continent in line with the “One Sun, One World, One Grid” initiative.

Other speakers also highlighted the current situation and possible areas of cooperation. The conference concluded



with a stronger commitment to foster relations and address the issue of energy transition and climate change while improving the quality of people's lives.

The dynamic duo

ASEAN and India are two huge entities with a total population of around two billion and collective GDP of 5.7 trillion US dollars (approx.). Hence, cooperation between both parties is essential to achieve national and global targets.

India has set an ambitious climate goal for 2030, and it even increased its commitment during COP-26. It aims to achieve a non-fossil energy capacity of 500 gigawatts (GW), meet 50 per cent of its energy requirements from renewable energy, reduce the total projected carbon emissions by one billion tonnes, reduce the carbon intensity of its economy by less than 45 per cent, and achieve the target of net-zero by 2070.

The ASEAN Member States also have very ambitious targets. Therefore, increased collaboration would be mutually advantageous.

To establish a cooperation framework for initiatives in the areas of smart grids, electric mobility, and renewable energy development, India Smart Grid Forum (ISGF) and ASEAN Centre for Energy (ACE) have executed a memorandum of understanding (MoU) in 2021.

India has been supporting various initiatives under ASEAN-India Green Fund since November 2012, when the first cooperation between ASEAN and India in renewable energy was inaugurated.

There is vast potential for further collaboration. For example, Cambodia, the ASEAN Chair in 2022, said during the conference that it had updated its energy efficiency policy and identified investment plans for market transformation. Not only that, but each ASEAN Member



“ India has been supporting various initiatives under ASEAN-India Green Fund since November 2012, when the first cooperation between ASEAN and India in Renewable Energy was inaugurated. ”

State is also committed to advancing renewable energy to improve energy security which is the foundation for accelerating the energy transition.

ASEAN-India's way forward

India is one of the top countries investing in renewable energy and is a low-cost destination for grid-connected solar power. To explore more of its solar resources, Indian Prime Minister Narendra Modi and UK Prime Minister Boris Johnson jointly launched a “green grid” initiative dubbed “One Sun, One World, One Grid” initiative at the last COP26 in Glasgow. With the support of the International Solar Alliance (ISA), this initiative strives for the ASEAN's close involvement in its first implementation phase. This can bring significant impact

to the fight against global warming, as it will develop a worldwide grid that can transmit clean energy from anywhere, at any time, and most importantly, reduce carbon emissions and energy costs.

Out of ten ASEAN Member States, Cambodia and Myanmar have signed and ratified the ISA Framework Agreement. More Member States hopefully can follow suit since the ISA would like to bring in ASEAN, India, and the rest of the world. Other than that, ASEAN and India may also collaborate more in joint research studies, especially in grid stability and green management. We should not forget the opportunities from public-private partnerships in helping ASEAN and India to further accelerate their energy transition efforts. ■

Opportunities for THE UK-ASEAN PARTNERSHIP IN 2022



NATALIE BLACK CBE

HER MAJESTY'S TRADE COMMISSIONER FOR ASIA PACIFIC
AND UK SENIOR ECONOMIC OFFICIAL TO ASEAN



JON LAMBE

UK AMBASSADOR TO ASEAN

The friendship between the United Kingdom and ASEAN goes back decades—with deep, enduring ties in education, culture, history, security, and trade.

Today, our relationship is closer than ever. The UK is proud to be ASEAN's first new Dialogue Partner in 25 years. Our trade relationship was worth over 35.2 billion British pounds sterling in 2021 and is only set to grow.

We are working to deepen UK-ASEAN relations whilst supporting Cambodia as Chair in 2022, under the theme of “Addressing Challenges Together.” We aim to forge closer economic partnerships, connect our citizens, and support a sustainable post-pandemic recovery. The recent visit by the Secretary of State for International Trade, The Rt. Hon. Anne-Marie Trevelyan MP, to the ASEAN Secretariat highlights those ambitions for deeper relations with ASEAN.

We will now highlight six priorities that will be at the heart of our relationship this year: open markets, digital innovation, financial services, sustainable development, education, and defence.

Open markets and digital partnerships

Open markets secure global prosperity and will be a key factor for economic recovery from the pandemic. We will work together to strengthen trade links and address market access barriers, implement regulations, and develop standards.

The impact of COVID-19 has accelerated digital adoption across the world. The UK will share its digital expertise to support ASEAN to build supply chain capabilities in the digital economy, using technologies such as automation and AI.

In September 2021, the UK and ASEAN launched a cutting-edge Digital Innovation Partnership. It will deepen collaboration in digital government, the digital economy, and trusted digital services. The Digital Business Challenge, for instance, is building new partnerships between UK providers and healthcare companies in ASEAN.

This year, our Asia Pacific Digital Trade Network will connect hundreds of fast-growing UK businesses with partners across the region. We have digital trade experts on the ground in Indonesia, Singapore and Thailand to provide market intelligence and policy insights and nurture the next generation of scale-ups.

A financial transformation

UK business holds a significant presence in the region, including HSBC, Standard Chartered and KPMG, and continues to assist projects across the region. The UK is also providing support to ASEAN to build financial literacy and inclusion, new FinTech capabilities, and sustainable finance. The UK benefits from a thriving FinTech sector, representing 10 per cent of the global market share and 11.6 billion US dollars in investment last year. We look forward to more knowledge sharing and business interactions between UK and ASEAN companies in this sector.

Last year's ASEAN Financial Literacy Conference, co-delivered with Brunei, gathered experts to share ideas and innovations on how to improve financial inclusion, including access to loans and better options for payment systems. This supported ASEAN's priority economic deliverable on maximising financial inclusion across the region.

Cooperating for sustainable development

ASEAN and the UK reaffirm our commitment to tackling climate change, one of the most serious threats facing our world.

At the COP26 climate summit last year, the majority of ASEAN Member States pledged to achieve net-zero. We will support the region's clean energy development beyond COP26.

The UK announced the investment of 110 million British pounds sterling to the ASEAN Catalytic Green Finance Facility at the conference. This will be vital to support critical and sustainable infrastructure projects in developing

countries across the region. This year, the UK will also finalise the ASEAN Sustainable Leadership in Infrastructure Course, working closely with the ASEAN Connectivity Division, to bring in a strong private sector expertise to exchange best practices on upstream infrastructure management.

We are committed to tackling the healthcare inequality that has been highlighted during the pandemic.

The UK has donated millions of vaccine doses bilaterally and through COVAX to ASEAN Member States.

Women's economic development is also a priority for our partnership, and we look forward to cooperating

The Rt. Hon. Anne-Marie Trevelyan MP pays a courtesy call on Secretary-General of ASEAN Dato Lim Jock Hoi at the ASEAN Secretariat





with ASEAN on this important issue. Experience demonstrates that the whole community will benefit when women are economically empowered.

Connecting our citizens

ASEAN and the UK want more people to access the opportunities of education to broaden skills, knowledge, networks, and prospects. Over 40,000 ASEAN university students study in the UK, with a further 125,000 studying for a UK degree remotely. We will continue working together with ASEAN to foster youth mobility through the Turing Scheme and the Chevening Scholarship, education programmes funded by the UK Government.

We will maximise the opportunities for digital transformation when we improve digital skills and access to online learning platforms. We have launched a training and mentorship

platform with ASEAN to boost the workforce’s data analytics capability. We are also working with the ASEAN Secretariat to develop an online English training module to enhance the capacity of its staff.

Closer ties

One of the UK’s top aims is to defend democratic values and enhance defence and security cooperation. This was laid out in the Integrated Review, our framework for the UK’s international priorities for the 2020s.

UK defence engages with ASEAN Member States across a broad range of areas. The deployment of the UK Royal Navy’s Carrier Strike Group to the Indo-Pacific region last October and its extensive engagement with some ASEAN Member States highlight our commitment to deepening diplomatic and security ties with ASEAN and the wider region.



Over **40,000 ASEAN university students** study in the UK, with a further **125,000 studying for a UK degree remotely.**



Already, in this year, we have held the UK-ASEAN Business Forum, which brought together key UK and Southeast Asian leaders and businesses to explore areas of focus for the year ahead, including on digital, FinTech, and green finance.

ASEAN and the UK share a diverse economic and commercial relationship. We are optimistic that, through working together, and sharing ideas and experiences, we will build mutual prosperity in the years ahead. ■

SNAPSHOTS

- Cambodia's priorities as the 2022 Chair of the ASEAN Socio-Cultural Community
- ACHDA inaugural e-exhibit: Forging metals and shaping identities



THE ASCC COUNCIL HOLDS ITS 27TH MEETING



JOANNE B. AGBISIT
ASSOCIATE EDITOR
THE ASEAN

Representatives of ASEAN Member-States and the ASEAN Secretary-General gathered for the 27th ASEAN Socio-Cultural Community (ASCC) Council Meeting on 30 March 2022.

The ASCC Council is the main body responsible for overseeing and coordinating the activities of the 15 sectoral ministerial bodies that fall under the socio-cultural community.

The ASCC Council meeting was held via a video conference and helmed by Dr. Hang Chuon Naron, Cambodia's Minister of Education, Youth and Sports.

The agenda included ASCC's priority areas and deliverables under Cambodia's ASEAN Chairship, the status of documents for presentation to ASEAN Leaders at the 40th and 41st ASEAN Summits, and other organisational and pending matters.

The ASCC Council noted that ASCC's priorities this year focus on enhancing ASEAN values, awareness, and identity; promoting human resource development (HRD) and women empowerment; enhancing health, well-being, and social protection for the peoples of ASEAN; and strengthening ASCC's institutional capacity and effectiveness. The priorities are aligned with the theme "ASEAN Addressing Challenges Together" (ASEAN ACT), Cambodia's chairship theme this year.

Minister Hang Chuon Naron, in his opening remarks, highlighted concrete activities that Cambodia is supporting in line with the identified priority areas. These include the designation of 2022 as the year of the ASEAN youth; the establishment of a centre for cultural and creative industries; and the development of several declarations that seek to promote the cultural and creative economy, facilitate the digital transformation of the education system throughout ASEAN, and safeguard traditional sports and games.

ASEAN Secretary-General Dato Lim Jock Hoi threw his support behind these measures. "Engaging youth is crucial as they are key to the future success of our community building and also a catalyst for economic, social, and cultural development. I join His Excellency Minister Hang Chuon Naron in calling on ASEAN to support 2022 as the Year of ASEAN Youth," said the Secretary-General.

He added, "Another priority deliverable this year is promoting creative economy in ASEAN. The ASEAN Comprehensive Recovery Framework has identified the creative economy as a high potential sector for post-pandemic recovery. I fully support the preparations for the Siem Reap Declaration on Promoting a Creative and Adaptive ASEAN Community to Support the Cultural



and Creative Economy and the establishment of the ASEAN Centre for Cultural and Creative Industries this year.”

The ASCC Council took note of the status of preparations for the 24 outcome documents that will be presented for adoption and notation by ASEAN Leaders at the forthcoming ASEAN Summits. The documents embody the work of the different ASCC sectoral bodies.

Aside from the documents mentioned by Minister Hang Chuon Naron, there are instruments designed to empower women and youth, such as:

- Declaration on More Sustainable, Inclusive and Resilient Future—Unlocking Women’s Entrepreneurship in ASEAN
- Regional Plan of Action on Promoting Women, Peace, and Security
- Regional Guidelines on Safe School Reopening, Learning Recovery and Continuity

- Roadmap for the Elimination of Bullying of Children in ASEAN
- Work Plan on Youth 2021-2025
- Work Plan on Sports 2021-2025
- ASEAN-FIFA Collaboration Plan 2021-2022
- Joint Statement of ASEAN Sports Ministers on Cementing the Foundation of ASEAN Athletes at the Southeast Asia Games.

Likewise, there are instruments meant to improve the health, social protection, and well-being of ASEAN citizens, such as:

- Declaration on Ending Inequalities and Getting on Track to End AIDS by 2030
- Declaration on Portability of Social Security Benefits for Migrant Workers in ASEAN
- Regional Guidelines on Role of Social Workers in the Social Protection Sector
- ASEAN Master Plan on Rural Development.

Climate change and disaster management documents are set to be presented as well, including:

- ASEAN Joint Statement on Climate Change to UNFCCC COP-27
- ASEAN Framework for Anticipatory Action in Disaster Management
- Guidelines for Operationalising the ASEAN Regional Framework on Protection, Gender, and Inclusion in Disaster Management
- 6th ASEAN State of Environment Report.

The ASCC Council also discussed the **ASCC Blueprint 2025**. The Secretary-General commended the ASCC for harmonising the blueprint with the **ASEAN Comprehensive Recovery Framework**. He encouraged the ASCC sectoral bodies to reinforce the framework in their work plans, a view echoed by Minister Hang Chuon Naron. “To date, we have come halfway through the ASCC Blueprint 2025 implementation, and most sectoral bodies under ASCC have received endorsement on their respective five-year Work Plan 2021-2025. To materialise the second half of the ASCC Blueprint, it is important that sectoral bodies integrate the strategies of these initiatives into the work plans, with key performance indicators and key result areas,” the Minister noted.

The other matters discussed by the ASCC Council were Timor-Leste’s membership application to ASEAN; developments on setting-up a panel of experts to look into the feasibility of an ASEAN Aid; efforts to strengthen the institutional capacity of ASCC through the ASCC Research and Development Platforms and a possible ASEAN Institute for Policy Studies; and secondment of ASCC officers to the Permanent Missions of ASEAN Member States in Jakarta.

The meeting ended with a Joint Statement of the Twenty-Seventh ASCC Council containing a summary of the discussion and agreements. ■

Forging History: Metals in the Crucible of ASEAN's Transformation



GLADYS RESPATI
FORMER COMMUNICATION OFFICER OF THE ASEAN CULTURAL
HERITAGE DIGITAL ARCHIVE (ACHDA) PROJECT

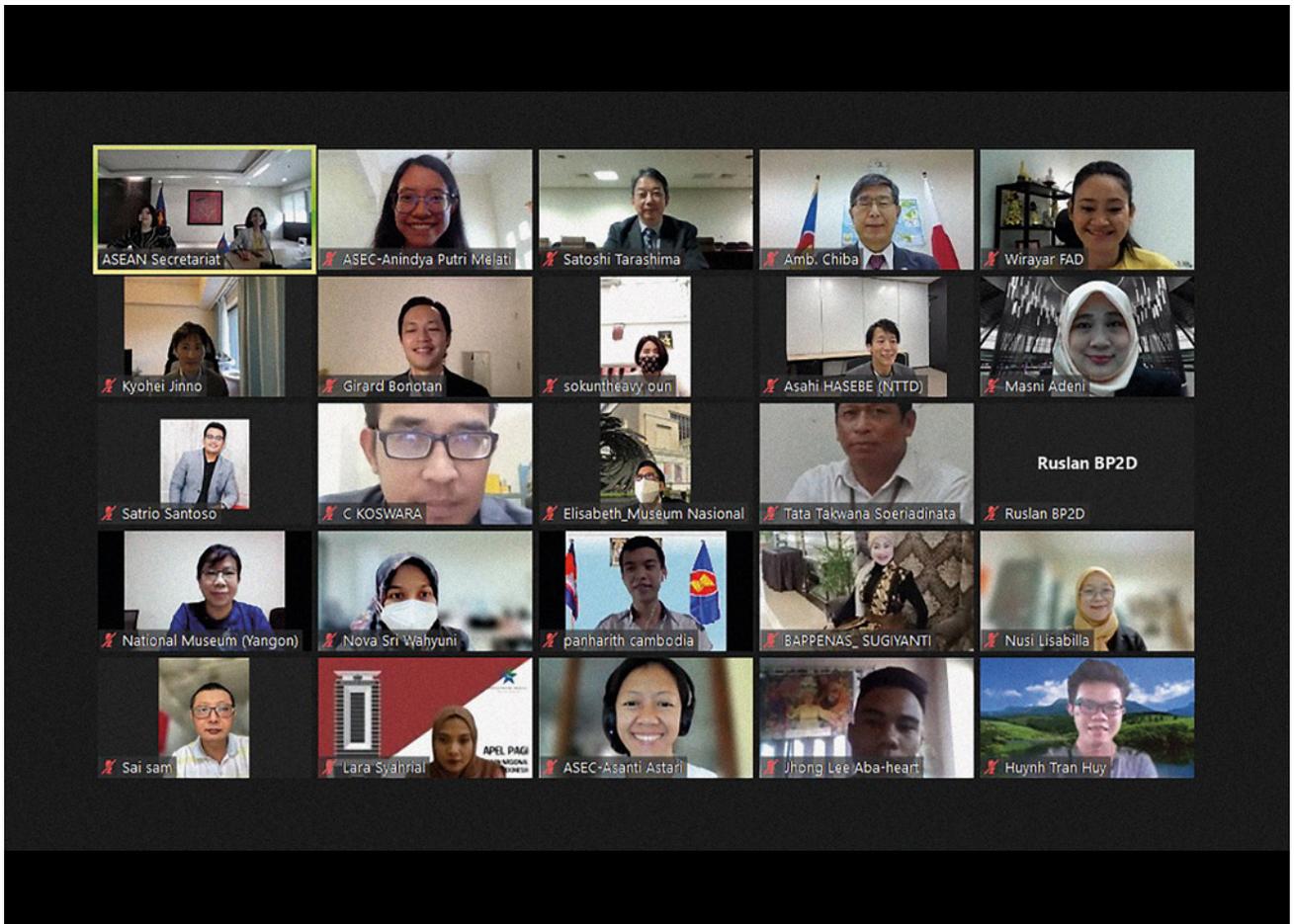
ASEAN launched the inaugural e-exhibition of the **ASEAN Cultural Heritage Digital Archive (ACHDA)** project on 26 November 2021. The virtual launch cum webinar has the theme “Forging History: Metals in the Crucible of ASEAN’s Transformation.”

Deputy Secretary-General of ASEAN for ASEAN Socio-Cultural Community Ekkaphab Phanthavong and Ambassador of Japan to ASEAN Akira Chiba spearheaded the launch event. The event was attended by over 130 participants and speakers, including representatives of the ASEAN Senior Officials Meeting on Culture and Arts (SOMCA); Senior Officials Meeting Responsible for Information (SOMRI); museum, library and gallery professionals; students; and the general public. The Government of Japan supports the ACHDA project and e-exhibition through the Japan-ASEAN Integration Fund (JAIF 2.0).

At the webinar, a panel of seven experts discussed “Reimagining e-Exhibitions During COVID-19.” The experts, representing cultural institutions from Indonesia, Malaysia,

Thailand, and Japan, shared best practices in transitioning exhibitions from the physical to the digital sphere given the ongoing pandemic. Japanese telecommunications company NTT DATA, which handled the digitisation of artefacts for the ACHDA project, described the prototype 3D virtual space showcasing select cultural heritage items from the ACHDA based on NTT DATA’s service named “DOOR.” The panel session sparked discussions on the challenges faced by museums, galleries, and libraries in engaging the public during COVID-19; public reception of the online exhibits; and how smaller cultural institutions would be able to digitise their collections using available resources.

The ACHDA e-exhibition comes at a timely moment, showcasing how cultural institutions can organise cultural projects and activities amidst the COVID-19 pandemic. Accelerated digital adoption and consumption, under the ongoing Fourth Industrial Revolution, will only make technology more integral to people’s cultural life. The e-exhibition and webinar hope to propel cultural institutions to reflect on their current capacities and gradually move



towards digital adoption in order to enhance their services, widen their reach, and remain relevant in the future.

Launched in February 2018, the ASEAN Cultural Heritage Digital Archive is a landmark initiative that aims to preserve ASEAN's cultural heritage and raise ASEAN awareness and identity through public access to digitised cultural heritage. Over 260 cultural heritage treasures from Cambodia, Indonesia, Malaysia, Myanmar, and Thailand can be viewed at the ACHDA portal. Among these are 160 items digitised during the project's first phase from 2018 to 2021, and over 100 additional items received as contributions from the existing archives of the participating countries.

Phase 2 of the ACHDA project will cover the digitisation of cultural heritage assets in Cambodia and Myanmar and improvement of the ACHDA website through the implementation of additional features to enhance visitor experience. It will also intensify the promotion of the ACHDA project through various activities, such as the e-exhibitions, webinars, and online promotion through social media.



The ACHDA e-exhibitions are a new permanent feature of the ACHDA website that aim to showcase the digitised ASEAN cultural heritage artefacts through storytelling and online thematic displays. Through the e-exhibitions, ASEAN hopes to enhance and sustain the promotion of the ACHDA website to raise public awareness of the portal and ultimately foster a sense of ASEAN identity. As the ACHDA's collection of cultural heritage treasures expands, more e-exhibitions will be released in the future. ■

Forging Metals, Shaping Identities



GIRARD PHILIP E. BONOTAN

FORMER SENIOR OFFICER OF THE CULTURE AND INFORMATION DIVISION (2015-2020)
ASEAN SOCIO-CULTURAL COMMUNITY DEPARTMENT

In the creation of metal objects, to “forge” is to heat and hammer metals into shape. It also means to “form into being,” a fitting reference to ASEAN’s continuous evolution and how it is actively creating the region’s collective history.

The title of the inaugural online exhibition of the ASEAN Cultural Heritage Digital Archive (ACHDA) was conceived only after all the objects have been selected and classified into themes. The exhibition is about the role of metals in shaping the shared histories of the ASEAN region, so I thought its title should allude to metallurgy and its processes, hence, *Forging History: Metals in the Crucible of ASEAN’s Transformation* (see <https://heritage.asean.org/e-exhibitions/detail/FORGINGHISTORY>).

Later on, I recalled that the ASEAN Vision 2025 is titled “Forging Ahead Together” to describe how the organisation is moving forward steadily with a united front. So, I am pleased that serendipity led us to the title that coheres with ASEAN’s overall vision while keeping to the theme of the exhibition about metals.

Working with the ASEAN Secretariat’s Project Team for the ACHDA, we chose metals as this exhibition’s theme because these are some of the enduring materials that have shaped and continue to shape ASEAN’s history and cultures. There are many outstanding archaeological sites—such as Indonesia’s Plawangan, Malaysia’s Kampong Sungai Lang, and Ban Chiang in Thailand—that highlight the important role metals have played in Southeast Asian societies. Metals have figured in the region’s history in many forms and with various functions and symbolisms. This exhibition

broadly categorises the uses and functions of metals into the themes of spirituality (Golden Tales), politics (Possessions with Power), economy and conquest (Mediums of Expansion), and art (Furnace of Creativity).

Among the highlights of this exhibition are manuscript cabinets from Thailand that narrate Buddhist teachings through intricate gold leaf overlays. It also features crowns from Indonesia that conferred their rulers with authority and have witnessed the waning years of an empire and the ascent of a new nation. Meanwhile, the imprints on gold coins memorialise Islam’s influences on Malaysia and the region’s diverse cultures. The exhibition also shines the spotlight on works by contemporary artists who use metals to assert Malaysia’s hybrid identities. These are just a few examples of the wealth of objects featured in the exhibition. The hope is the exhibit serves as a gateway for more curious minds to further explore the breadth of the collections of the ACHDA, which to this day still continue to grow.

As a former officer of the ASEAN Secretariat’s Culture and Information Division (CID), I have personally seen how the ACHDA project developed over the years. It was conceived as one of the key recommendations of the ASEAN Member States during a workshop participated by museum professionals in 2015. We had many discussions with the ASEAN Senior Officials Meeting for Culture and the Arts (SOMCA) and ASEAN Committee on Culture and Information (ASEAN COCI) to refine the project and make it relevant to their needs. The initial phase of the project was participated in by museums and libraries of Indonesia, Malaysia, and

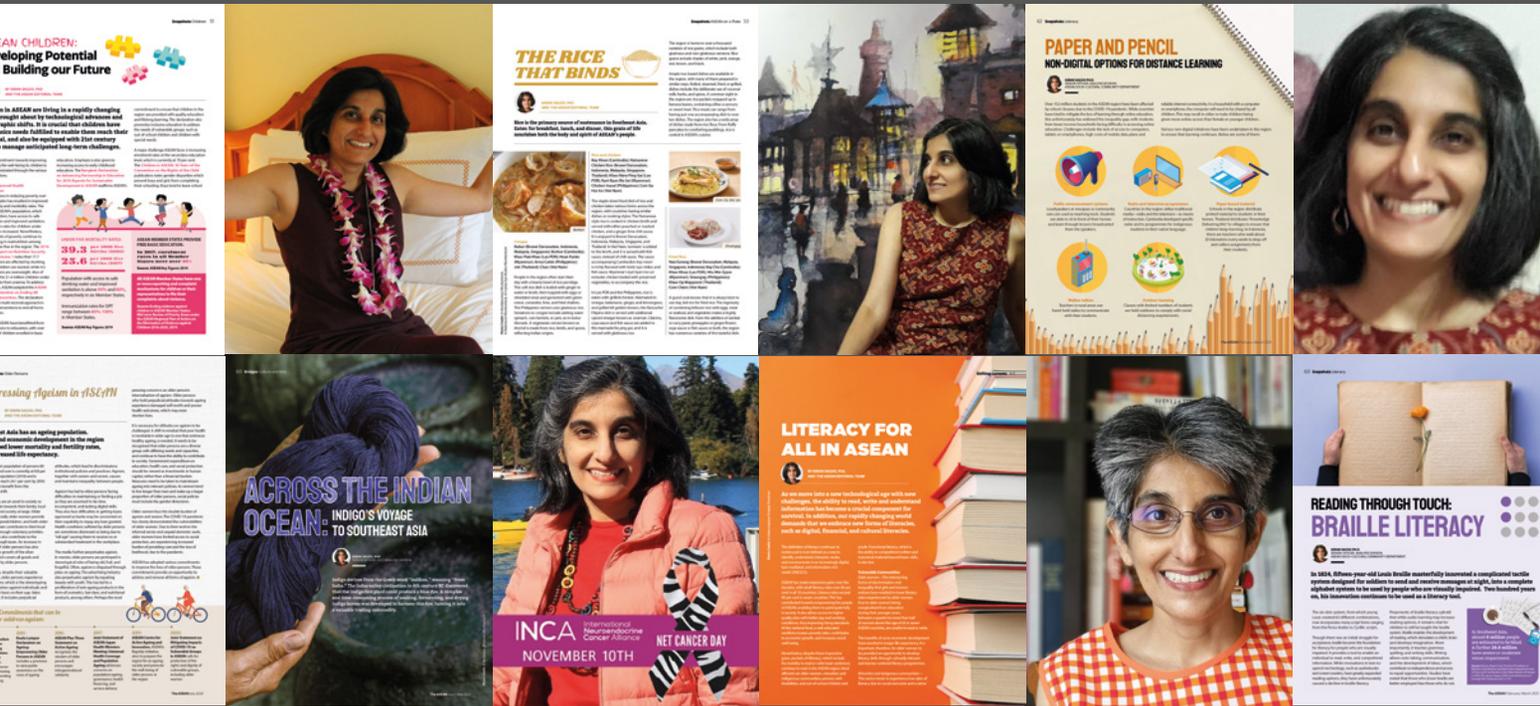


Thailand. The Government of Japan through the Japan-ASEAN Integration Fund (JAIF) supported the project and we partnered with the digitising company, NTT Data.

The ACHDA website, <https://heritage.asean.org>, was launched in early 2020, and less than a month later many countries went into lockdown. Access to digital resources became increasingly important, and I believe ACHDA proved its immense value in continuing cultural education when the vast majority of people could not visit museums. Digitised collections such as the ACHDA act as effective bridges between people and their heritage, not necessarily to replace the functions of museums but to complement them.

Digital technologies “bring out new connections and contrasts between objects... and the sharing and creation of knowledge, both on-site and online” (van den Akker, 2016). To draw online visitors to the e-exhibition and get them to meaningfully appreciate the shared heritage and cultural connections between and among ASEAN peoples are precisely what we hope to instil. ■

Girard Philip E. Bonotan was part of the ASEAN project team that worked on the first phase of the ASEAN Cultural Heritage Digital Archive (ACHDA). He shared his personal insights on the planning of virtual archive's inaugural exhibition and the role of digital technology in cultural education.



In Memoriam

KIRAN SAGOO, PhD

Senior Officer, Analysis Division
ASCC Department

Kiran Sagoo was with the ASCCD Analysis Division for close to six years and was integral to launching *The ASEAN* magazine in early 2020. Sadly, Kiran passed away on 27 April 2022 after a courageous battle against cancer. She was 47.

She played a critical role in the magazine's inception and helped build a strong editorial team. Kiran advocated for the protection and upliftment of vulnerable groups, and many of her articles were about older persons, people with disabilities, children, and women. Kiran loved to read and write about the region's history, cuisines, culture and the arts. Her articles for the magazine reflected her interests and a deep sense of belonging to the ASEAN community.

Kiran was a staunch believer in *The ASEAN's* mission to communicate with the people ASEAN serves and to listen to their views to inspire our work.

The last piece she co-wrote for the magazine was on the women scientists who won the ASEAN-US Science Prize for 2021. Like the many women we have featured in the magazine, Kiran was a champion. It is an honour to have known and worked alongside her. ■



Community of Values **30th Anniversary Celebrations of** **ASEAN-India diplomatic relations**

2022 is the ASEAN-India Friendship Year, celebrating 30 years of the ASEAN-India dialogue partnership.

To start the commemorative year, the ASEAN-India Logo Design and Tagline Contest was launched from 14 February to 14 March 2022 and opened to all citizens of ASEAN and India.

Bew Thanakorn Khumkhrua's entry was chosen from over 1200 submissions, with the tagline, "Community of Values." His logo features the number 30 and the infinity symbol,

representing the 30 years of unity and relationship between ASEAN and India. Arpit Shankar and Vatsal Shah were awarded as the 1st and 2nd finalists, respectively.

The winning logo and tagline will be used for commemorative events and activities to mark the ASEAN-India Friendship Year 2022.

The ASEAN Secretariat
ASEAN Socio-Cultural Community (ASCC) Department
Jalan Sisingamangaraja 70A,
Jakarta 12110, Indonesia

This publication was made possible with the support of:

The Government of India

