

# ASEAN Declaration on Promoting Competitiveness, Resilience and Agility of Workers for the Future of Work and its Guidance Document



one vision one identity one community



## ASEAN Declaration on Promoting Competitiveness, Resilience and Agility of Workers for the Future of Work and its Guidance Document

The ASEAN Secretariat Jakarta

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam. The ASEAN Secretariat is based in Jakarta, Indonesia.

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ASEAN DECLARATION ON PROMOTING COMPETITIVENESS, RESILIENCE AND AGILITY OF WORKERS FOR THE FUTURE OF WORK

## ASEAN DECLARATION ON PROMOTING COMPETITIVENESS, RESILIENCE AND AGILITY OF WORKERS FOR THE FUTURE OF WORK

**WE**, the Member States of the Association of Southeast Asian Nations (ASEAN), namely Brunei Darussalam, Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Republic of the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand and the Socialist Republic of Viet Nam, on the occasion of the 38<sup>th</sup> ASEAN Summit chaired by Brunei Darussalam;

**UNITED** by the commitment to the ASEAN Vision 2025 and in realising an ASEAN Community that engages and benefits the people, and is inclusive, sustainable, resilient and dynamic, as also inscribed in ASEAN Socio-Cultural Community Blueprint 2025 and the Narrative of ASEAN Identity;

**RECALLING** the importance to develop effective upstream preventive policies and initiatives such as transformative social protection enshrined by the ASEAN Declaration on Culture of Prevention for a Peaceful, Inclusive, Resilient, Healthy and Harmonious Society;

**FURTHER RECALLING** the purposes of ASEAN as stipulated in the ASEAN Charter to develop human resources through closer cooperation in education and life-long learning, and in science and technology as well as to enhance the well-being and livelihood of the peoples of ASEAN by providing them with equitable access to opportunities for human development, social welfare and justice;

**RECOGNISING** the guiding principles laid out by the ASEAN Human Rights Declaration, which recognises one's right to work, free choice of employment, enjoy just, decent and favourable conditions of work, and access to assistance schemes for the unemployed as well as the spirit to promote the rights of migrant workers and their family members already residing with them as stipulated on the ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers;

**REAFFIRMING** ASEAN's commitment to develop human-centred approach in preparing ASEAN workers' ability to adapt to the transformative changes, such as technological advances, demographic transitions and the rise of green economy as stipulated in the ASEAN Labour Ministers' Joint Statement on the Future of Work: Embracing Technology for Inclusive and Sustainable Growth as well as the ASEAN Declaration on Human Resources Development in the Changing World of Work;

**COGNISANT** of the unprecedented impacts of the COVID-19 pandemic on the peoples of ASEAN, many of whom are workers, whose lives and livelihoods have been greatly affected;

**REAFFIRMING** our interconnectedness as One Community and commitment to work together in building back better and resilience in future through the concerted efforts paved by the ASEAN Comprehensive Recovery Framework;

**FURTHER REAFFIRMING** the commitment for better preparedness of labour and employment policies and the resilience and agility of ASEAN workforce for the potential outbreak/recurring of pandemic, economic crisis or natural disasters in the future as stipulated in the Joint Statement of ASEAN Labour Ministers on Response to the Impact of Coronavirus Disease 2019 (COVID-19) on Labour and Employment as well as the

Consolidated Strategy on the Fourth Industrial Revolution for ASEAN in accordance with AMS' respective capacities, laws and regulations;

**DO HEREBY DECLARE** our commitment to undertake the following actions to promote competitiveness, resilience and agility of workers for the future of work by taking into account the capacities, resources, laws, regulations and policies of ASEAN Member States:

- Encourage the harmonisation of skills training standards and professional certification systems to accelerate the application of skills recognition, and skilled labour mobility in ASEAN by promoting and supporting the referencing of National Qualifications Frameworks of ASEAN Member States to the ASEAN Qualifications Reference Framework (AQRF) and other frameworks/mechanism;
- 2. Foster the efforts to increase labour productivity of ASEAN Member States through strengthening policy measures and implementation of a holistic framework in the management of labour productivity which involves institutional approaches, strategies, and cultures;
- 3. Encourage the participation of the communities as well as private business in capacity building initiatives and business incubation strategies to enable young talent, including those in the rural areas, to create start-up businesses and develop entrepreneurships;
- 4. Strengthen the existing social dialogue towards harmonious and fair industrial relations through a cooperative bipartite consultation to promote the rights and obligations of workers and employers at the workplace, and a tripartite consultation to endeavour the formulation of proper labour policies to maintain decent work, sustainable businesses, and stable economic climate for investment to support rapid economic growth;
- 5. Initiate appropriate and sustainable social protection measures, including social assistance and social security, for all workers, as well as migrant workers, to ensure their rights, benefits and welfare are protected, especially in times of emergencies and disasters, in accordance with the laws, regulations and policies of respective ASEAN Member States;
- 6. Revitalise the significant role of public employment services to ensure inclusive access of the workforce, including but not limited to women, youth, and persons with disabilities, to the labour market through innovative approach and mechanism of services in the effort towards decent work, reduced unemployment, peace and social cohesion;
- Encourage the optimisation of the use of secure internet of things (IOT) to intensify and advance manpower training, job creation, job placement, career advancement, labour inspection, and labour protection; to improve the performance of government services on labour and employment; as well as to adapt to the changing nature of work and businesses;
- 8. Promote the sharing of knowledge, information, and best practices of labour and employment strategies and policies through regional initiatives, including among others, the Regional Centre for the Future of Work (RCFW) and ASEAN Future Workforce Council (AFWC), to prepare all ASEAN workers' readiness for regional and global competitiveness amidst the fourth industrial revolution and the changing world of work;
- 9. Encourage fostering adaptive labour market policies and programmes to respond to double disruption caused by the automation and COVID-19 pandemic with the

engagement of private sector, civil society and other relevant stakeholders to build effective solutions through, but not limited to, training partnership programme as well as business assistance and financial access for the society in dealing with the unprecedented situations;

10. Promote close collaboration and partnership amongst ASEAN Member States and external partners, international organisations, and relevant international entities to enhance labour and employment development in ASEAN, and boost our efforts in creating new opportunities for collective action and innovation for building more inclusive, resilient and peaceful societies in the recovery and post-pandemic era.

**WE** tasked the ASEAN Labour Ministers Meeting (ALMM) with the support of the Senior Labour Officials Meeting (SLOM) to realise this Declaration through a guiding document and resource mobilisation for its implementation in accordance with the national laws, regulations and policies of ASEAN Member States.

**ADOPTED** at the 38<sup>th</sup> ASEAN Summit on this Twenty Sixth Day of October in the year Two Thousand and Twenty-One, in a single original copy, in the English Language.

GUIDANCE DOCUMENT OF THE ASEAN DECLARATION ON PROMOTING COMPETITIVENESS, RESILIENCE AND AGILITY OF WORKERS FOR THE FUTURE OF WORK

## **ACRONYMS AND ABBREVIATIONS**

| ACE          | ASEAN Confederation of Employers                                  |
|--------------|---|
| ACRF         | ASEAN Comprehensive Recovery Framework                            |
| -            |   |
| ADB          | Asian Development Bank  |
| ACP          | Accredited Co-Partner   |
| ADM          | ASEAN Digital Masterplan  |
| AEC          | ASEAN Economic Community  |
| AEM          | ASEAN Economic Ministers Meeting                                  |
| AFML         | ASEAN Forum on Migrant Labour                                     |
| AFWC         | ASEAN Future Workforce Council                                    |
| AI           | Artificial Intelligence   |
| AloT         | Artificial Intelligence of Things                                 |
| AIDS         | Acquired Immune Deficiency Syndrome                               |
| ALICOM       | ASEAN Labour Inspection Committee                                 |
| ALMM         | ASEAN Labour Ministers' Meeting                                   |
| ALMPs        | Active Labour Market Policies                                     |
| AMS          | ASEAN Member States   |
| APACC        | Asia-Pacific Accreditation and Certification Commission           |
| APEC         | Asia-Pacific Economic Cooperation                                 |
| APT          | ASEAN Plus Three  |
| AQRF         | ASEAN Qualifications Reference Framework                          |
| ARTSD        | ASEAN Regional Tripartite Social Dialogue                         |
| ASCC         | ASEAN Socio-Cultural Community                                    |
| ASSA         | ASEAN Social Security Association                                 |
| ASEAN        | Association of Southeast Asian Nations                            |
| ASEAN-BAC    | ASEAN Business Advisory Council                                   |
| ASEAN-OSHNET | ASEAN Occupational Safety and Health Network                      |
| ASEANTA      | ASEAN Tourism Association   |
| ASEC         | ASEAN Secretariat   |
| ASED         | ASEAN Education Ministers Meeting                                 |
| ATC          | ASEAN Technical and Vocational Education and Training (TVET)      |
|              | Council   |
| ATUC         | ASEAN Trade Union Council   |
| BLE          | Bureau of Local Employment of DOLE Philippines                    |
| CAMP         | COVID-19 Adjustment Measures Program of the Philippines           |
| CBT          | Competency-Based Training   |
| CDSP         | Career Development Support Program of the Philippines             |
| CHED         | Commission on Higher Education of the Philippines                 |
| COVID-19     | Novel Coronavirus SARS-Co (Coronavirus Disease 2019)              |
| CSO          | Civil Society Organisation  |
| CSR          | Corporate Social Responsibility                                   |
| DBS          | Digital Business Services of Malaysia                             |
|              | Department of Education of the Philippines                        |
| DepEd<br>DKN |   |
|              | Dasar Keusahawanan Nasional (National Entrepreneurship Policy) of |
|              | Malaysia  |

| DOLE             | Department of Labor and Employment of the Philippines                  |
|------------------|--|
| DSWD             | Department of Social Welfare and Development of the Philippines        |
| DTA              | Digital Tech Apprenticeship of Malaysia                                |
| EA               | Exportability Agreement  |
| EAS              | East Asia Summit   |
| ECC              | Employees Compensation Commission of the Philippines                   |
| ECP              |  |
| EDB              | Employees' Compensation Program of the Philippines                     |
|                  | Economic Development Board of Singapore                                |
| EGMP             | E-Government Master Plan of the Philippines                            |
| EIS              | Enterprise Innovation Scheme of Singapore                              |
| ESCAP            | United Nations Economic and Social Commission for Asia and the Pacific |
| ESO              | Employment Service Officers of Malaysia                                |
| ETF              | European Training Foundation   |
| FoA              | Freedom of Association   |
| FEC              | Future Economy Council of Singapore                                    |
| FES              | Friedrich Ebert Stiftung   |
| G2P              | Government-to-Persons  |
| GAP              | Government Assistance Program  |
| GAM              | Geran Agropreneur Muda (Young Agropreneur Grant Programme) of          |
|                  | Malaysia   |
| GEM              | Graduates Empowerment Programme of Malaysia                            |
| GIZ              | Deutsche Gesellschaft für Internationale Zusammenarbeit                |
| GSO              | General Statistics Office  |
| HIV              | Human Immunodeficiency Virus   |
| HRD              | Human Resource Development   |
| I <sup>3</sup> S | Inclusive Innovation Industrial Strategy of the Philippines            |
| ICT              | Information and Communication Technology                               |
| ILO              | International Labour Organization                                      |
| loT              | Internet-of-Things   |
| lloT             | Industrial Internet of Things  |
| IP               | Intellectual Property  |
| ISSA             | International Social Security Association                              |
| ITM              | Industry Transformation Map  |
| ITE              | Institute of Technical Education                                       |
| JCB              | JobCentre Brunei   |
| KRIVET           | Korea Research Institute for Vocational Education and Training         |
| Lao PDR          | Lao People's Democratic Republic                                       |
| LFS              | Labour Force Survey  |
| LGUs             | Local Government Units   |
| LI-MIS           | Labour Inspection-Management Information System                        |
| LM               | Labour Market  |
| LMI              | Labour Market Information  |
| LNCCI            | Lao National Chamber of Commerce and Industry                          |
| M&E              | Monitoring and Evaluation  |
| MBOT             | Malaysia Board of Technologists  |
| MDEC             | Malaysia Digital Economy Corporation                                   |
|                  |  |

| MECD     | Ministry of Entropropour and Cooperatives Development of Malaysia   |
|----------|---|
| MLVT     | Ministry of Entrepreneur and Cooperatives Development of Malaysia<br>Ministry of Labour and Vocational Training of Cambodia |
| MoA      | Memorandum of Agreement   |
| MoC      | Memorandum of Cooperation   |
| MOHR     | Ministry of Human Resources of Malaysia   |
| MOLISA   | Ministry of Labour, Invalids and Social Affairs of Viet Nam   |
| Mosti    | -   |
| MPC      | Ministry of Science, Technology and Innovation of Malaysia<br>Malaysia Productivity Corporation                             |
| MRA      |   |
| MRS      | Mutual Recognition Arrangement<br>Mutual Recognition of Skills  |
| MSME     | Micro, Small and Medium Enterprise  |
| MYWIT    | MyDigitalWorkforce Work in Tech of Malaysia   |
| MySPC    | Malaysia Social Protection Council  |
| NBP      | National Broadband Plan of the Philippines  |
| NCMW     | National Council on Minimum Wage of Cambodia  |
| NCSP     | 6   |
| NEA      | National Cybersecurity Plan of the Philippines<br>National Employment Agency of Cambodia                                    |
| NERS     | National Employment Recovery Strategy of the Philippines  |
| NGO      | Non-Governmental Organisation   |
| NICTEF   | National ICT Ecosystem Framework of the Philippines   |
| NQF      | National Qualification Framework  |
| NQS      | National Qualification System   |
| NTB      | National Training Board of Cambodia   |
| NTIPC    | National Tripartite Industrial Peace Council of the Philippines   |
| NWC      | National Wages Council of Singapore   |
| OECD     | Organization for Economic Co-operation and Development  |
| OFWs     | Overseas Filipino Workers   |
| OSH      | Occupational Safety and Health  |
| OSHS     | Occupational Safety and Health Standards  |
| PCCI     | Provincial Chambers of Commerce and Industry of Lao PDR   |
| PCTS     | Philippine Credit Transfer System   |
| PES      | Public Employment Service   |
| PEIS     | PESO Employment Information System of the Philippines   |
| PESO     | Public Employment Service Office of the Philippines   |
| PLWS     | Productivity Linked Wage System   |
| POCs     | Proof-of-Concepts   |
| PQF      | Philippines Qualification Framework   |
| PRC      | Professional Regulation Commission of the Philippines   |
| PROTÉGÉ  | Professional Training and Education for Growing Entrepreneurs of  |
| THOTEGE  | Malaysia  |
| PWD      | Persons with Disabilities   |
| PWM      | Progressive Wage Model  |
| QAF      | Quality Assurance Framework   |
| R&D      | Research and Development  |
| RCFW     | Regional Centre for the Future of Work  |
| RECOTVET | Regional Cooperation for the Development of Technical and   |
|          | Vocational Education and Training   |
|          | vooutonui Europuton uno muning  |

| ROCBN   | Registration of Companies and Business Names                     |
|---------|--|
| ROK     | Republic of Korea  |
| RPD     | Regional Policy Dialogues  |
| RPL     | Recognition of Prior Learning                                    |
| RPM     | Remote Patient Monitoring  |
| RTIC    | Regional TVET Innovation Center                                  |
| SBWS    | Small Business Wage Subsidy program of the Philippines           |
| SDG     | Sustainable Development Goal                                     |
| SEAMEO  | Southeast Asian Ministers of Education Organization              |
| SLOM-WG | Senior Labour Officials Meeting Working Group on Progressive     |
|         | Labour Practices to Enhance the Competitiveness of ASEAN         |
| SMEs    | Small and Medium Enterprises                                     |
| SOCSO   | Social Security Organization                                     |
| SOM-ED  | Senior Officials' Meeting on Education                           |
| SOMHD   | Senior Officials' Meeting on Health Development                  |
| SOMSWD  | Senior Officials' Meeting on Social Welfare and Development      |
| SLOM    | Senior Labour Officials Meeting                                  |
| SPF     | Social Protection Floor  |
| SPESOS  | Special Program for Employment of Students and Out-of-School     |
|         | Youths   |
| SSA     | Social Security Agreement  |
| SSB     | Social Security Board of Myanmar                                 |
| SSCs    | Sector Skills Councils   |
| SSCs    | SME Service Centres  |
| SSG     | SkillsFuture Singapore   |
| SSS     | Social Security System   |
| SSTC    | South-South and Triangular Cooperation                           |
| STR     | Sumbangan Tunai Rehmah of Malaysia                               |
| TAV     | Technical and Advisory Visit process of Philippines              |
| TESDA   | Technical Education and Skills Development Authority of the      |
|         | Philippines  |
| TOP     | TESDA Online Program   |
| TWC     | TESDA's Women's Center   |
| TVET    | Technical and Vocational Education and Training                  |
| UCS     | Universal Healthcare Scheme                                      |
| UNDP    | United Nations Development Programme                             |
| UNESCO  | United Nations Educational, Scientific and Cultural Organization |
| UNOSSC  | United Nations Office for South-South Cooperation                |
| WIND    | Work Improvement in Neighbourhood Development Project            |
| WISE    | Work Improvements in Small Enterprises Project of ILO            |
| WSG     | Workforce Singapore  |
| YDI     | Youth Development Index  |
| 4IR     | Fourth Industrial Revolution                                     |
| 4Ps     | Pantawid Pamilyang Pilipino Program                              |
|         | · · · ·  |

## GUIDANCE DOCUMENT OF THE ASEAN DECLARATION ON PROMOTING COMPETITIVENESS, RESILIENCE AND AGILITY OF WORKERS FOR THE FUTURE OF WORK

## I. INTRODUCTION

### I.1 Background and objectives

Against the backdrop of the double disruption caused by the COVID-19 pandemic and ensuing economic crisis, and by the Fourth Industrial Revolution (4IR) and other megatrends impacting labour markets worldwide, the Association of Southeast Asian Nations (ASEAN) adopted, at the 38<sup>th</sup> and 39<sup>th</sup> ASEAN Summits on 26 October 2021, the ASEAN Declaration on Promoting Competitiveness, Resilience, and Agility of Workers for the Future of Work<sup>1</sup>, hereafter in this document referred to as the Declaration. The Declaration was the output of the 26<sup>th</sup> ASEAN Labour Ministers' Meeting (ALMM) convened in October 2020 as Indonesia's deliverable under its ALMM Chairmanship 2020-2022. It manifests the willingness of ASEAN Labour Ministers to recover labour and employment conditions and economic growth in the aftermath of the pandemic and in confronting ongoing challenges.

Central to the Declaration's objectives is the concept of a just transition, which advocates for a smooth and inclusive shift to sustainable and equitable economies. This entails addressing the impact of the double disruption - the pandemic and digitalisation - on the labour market and taking appropriate actions at both national and regional levels. As mandated by ASEAN Leaders to the Labour Ministers, the Declaration called for the development of a Guidance Document, which is expected to play a crucial role in achieving the desired outcomes by offering insights, practices, and policies on how countries within ASEAN and other relevant regions can bolster the resilience and productivity of their labour sectors, thereby supporting economic recovery.

This Guidance Document serves as a flexible toolkit, allowing ASEAN Member States to adapt and implement the guidelines based on their unique contexts and priorities. By complementing other relevant ASEAN commitments and declarations, it aims to foster synergy and harmonious collaboration across the region, ultimately promoting a prosperous and inclusive future of work for all. The relevant commitments and declarations include the Joint Statement of ASEAN Labour Ministers on Response to the Impact of the Coronavirus Disease 2019 (COVID-19) on Labour and Employment, the ASEAN Declaration on Human Resources Development and the Changing World of Work and its Roadmap; the ASEAN Labour Ministers' Statement on the Future of Work; the ASEAN Declaration on Promoting Green Jobs for Equity and Inclusive Growth in ASEAN; the ASEAN Consolidated Strategy on the 4IR; and the ASEAN TVET Council's Work Plan 2021-2030.

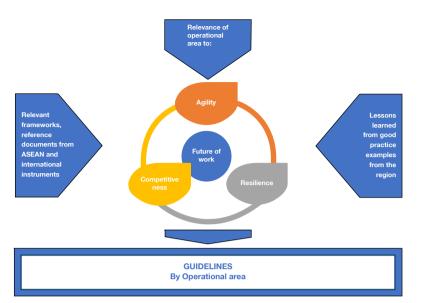
### I.2 Conceptual Framework of the Guidance Document

The Guidance Document links the ten operational areas of the Declaration, to key concepts (workers' or workforce competitiveness, agility, and resilience) in the context of the Future of Work and related challenges. As a starting point, it is essential to ensure a common understanding of these concepts. In this Document, the following definitions apply:

<sup>&</sup>lt;sup>1</sup> The full version of the Declaration is available at: <u>https://asean.org/asean-declaration-on-promoting-competitiveness-resilience-and-agility-of-workers-for-the-future-of-work/</u>.

- Competitiveness: In the context of the future of work and rapid changes, competitiveness is essentially a measure of how efficiently and effectively workers can fulfil their job-related tasks, including making use of relevant knowledge and technologies. In general, competitiveness is determined by knowledge, skills, abilities, competences, and all other determinants of labour productivity (at the worker, enterprise, institutional and national levels). Competitiveness is a relative and context-specific concept (i.e., workers are competitive in comparison with others within the same occupational area or within the same industry). It is also dynamic, in that it can change over time (e.g., the workforce in an industry may be competitive today, but without upskilling and/ or investment in productivity enhancement, become less competitive in the future). In some cases, specific skills or abilities, like proficiency in a foreign language, are key to ensure workers are competitive at the regional or global level.
- Agility: Refers to workers' flexibility and their ability to rapidly adapt and respond to different situations. With the rapid pace of change affecting economies, labour markets and societies, agile workers can transition across jobs, occupations and even industries with relative ease. In the context of the 4IR, as technological change leads to both job destruction and job creation, agile workers can shift from declining to emerging sectors and occupations. Agility therefore has much to do with workers' skills and skill sets, including transferable skills/21<sup>st</sup> Century Skills. This is enabled by the existence of and access to lifelong learning, flexible pathways across education and training sectors, reskilling and upskilling, and other policies and practices that enhance workers' job mobility and career development.
- Resilience: Refers to the workforce's ability to withstand and recover from challenges, including from natural disasters, pandemics and health emergencies and economic crises, but also those relating to longer-term trends like technology, demographic changes, climate change and the green transition. It is strengthened by policies that enhance worker agility and adaptability (e.g., flexible skills training; upskilling/ reskilling opportunities) and by the existence of solid and inclusive social protection systems and adequate occupational safety and health standards.

Workers' competitiveness, agility, and resilience are interlinked to an important extent: improving worker competitiveness enhances their agility, which strengthens their resilience, which in turn further improves their competitiveness (Figure 1). Although the Declaration refers to workers, it is crucial to bear in mind that these concepts are determined to a large extent by the broader environment. The responsibility of ensuring that the workforce is competitive, agile, and resilient must be shared by governments and social actors. While workers certainly must strive for these attributes, governments and employers/ enterprises have a fundamental role to play, through supportive policies and practices. This shared responsibility is a key element that this Guidance Document seeks to highlight. The Document also aims to emphasise the critical role of inclusion, as a cross-cutting element under all thematic/operational areas. While some of the occupational areas focus on specific groups (e.g., youth), policies are needed to address the specific needs and challenges associated with vulnerable groups of workers, by tackling gender-based and other intersecting forms of discrimination (e.g., based on age, disability, ethnicity, indigenous status, HIV status, and migration status among others). If these challenges are not addressed, existing inequalities risk widening further. Finally, while the policies and practices described in the Document, under the ten operational areas are key to supporting workforce competitiveness, agility, and resilience, it is important to emphasise that these must be accompanied by broader economic and labour policies to ensure a sustainable and inclusive recovery. Indeed, evidence from ASEAN Member States suggests relatively limited progress in terms of employment, wage, and labour relations policies. Without supportive policies in these areas, investment in human capital and skills would not be enough to improve working and living conditions on a sufficient scale, nor contribute to reducing inequalities.



#### Figure 1 Conceptual framework of the Guidance Document

#### Source: Author

The methodological approach used to develop the Guidance Document involved research and stock-taking and consultations with representatives from ASEAN Member States, the ASEAN Secretariat, other ASEAN bodies<sup>2</sup> and stakeholders, and employer and worker organisations. Because of the multiple cross-cutting themes covered by the Declaration, the Guidance Document strives to focus on specific aspects of the operational areas, relating to workers' competitiveness, agility, and resilience. It also seeks to draw on and ensure consistency and complementarity with existing frameworks, instruments, and approaches. For each operational area, the Document seeks to present guidelines, drawing on:

- **Relevance of operational area:** Why is it important for promoting competitiveness, resilience, and agility of workers?
- Relevant frameworks, reference documents and international instruments: What are the related policy frameworks (or reference documents) and key initiatives at the regional level? What relevant international instruments and frameworks exist?
- Insights from good practice examples: What national frameworks, policies and practices represent good practice examples? What innovations exist? What preconditions are needed for these, and which components or distinctive features of these policies and practices are applicable in other countries or contexts? What lessons can we draw, based on evidence and impact analyses (to the extent possible)?

The Guidelines are meant to represent practical steps that can be implemented, or pathways that can be followed by each country, depending on its national context.

<sup>&</sup>lt;sup>2</sup>The ASEAN Sectoral Bodies involved include: the Senior Labour Officials' Meeting (SLOM) and its' Working Group (SLOM-WG), ASEAN Labour Inspection Committee (ALICOM), ASEAN Occupational Safety and Health Network (ASEAN-OSHNET), ASEAN TVET Council (ATC), Senior Officials' Meeting on Health Development (SOM-HD), Senior Officials' Meeting on Education (SOM-ED), and the Senior Officials' Meeting on Social Welfare and Development (SOMSWD).

## II. GUIDELINES BY OPERATIONAL AREA

#### **II.1 Skills harmonisation and recognition**

• **Operational area 1.** "Encourage the harmonisation of skills training standards and professional certification systems to accelerate the application of skills recognition, and skilled labour mobility in ASEAN by promoting and supporting the referencing of National Qualifications Frameworks of ASEAN Member States to the ASEAN Qualifications Reference Framework (AQRF) and other frameworks/mechanisms."

#### Relevance of operational area

In addition to constituting an important element of ASEAN Community building, as emphasised in the **ASEAN Economic Community (AEC) Blueprint** and in various ASEAN declarations and commitments, labour mobility is paramount in the context of the Future of Work and related megatrends. Globalisation, global and regional value chains, technological change, digitisation and digitalisation, climate change and demographic transitions are resulting in a rapidly changing and increasingly complex world of work and increasingly diverse learning modalities, where jobs, and job and learning opportunities transcend national borders.

In this context, skills harmonisation and recognition are critical for the competitiveness and agility of workers and students, empowering them by facilitating their movement within ASEAN and beyond, in pursuit of opportunities.<sup>3</sup> Skills harmonisation and recognition facilitate worker mobility and skills transferability through 1) improving transparency, and mutual understandings of national gualification systems and linkages between them; and 2) providing quality assurance, signalling, and ensuring that workers' skills, knowledge, and competencies meet required standards that are consistent and comparable across the region. This contributes to a competitive workforce that encourages foreign business investment and supports countries' efforts towards participation at higher levels of global value chains. It also promotes resilience and agility by 3) encouraging the strengthening of national skills systems and serving as a catalyst for taking forward lifelong learning strategies and the inclusion and recognition of informal and non-formal learning at the national level, thus facilitating job transitions and worker mobility across industries and occupations. Skills recognition also promotes 'valuing' work, particularly in undervalued and highly feminised sectors such as those in the care economy, and therefore contributes to achieving equal pay and better employment conditions for workers. More generally, skills harmonisation and recognition serve as an entry way for strengthening skills systems and the capacities of stakeholders (governments, and employer and worker groups) to enhance the efficiency and performance of these systems, while also supporting social equity and sustainable development objectives (ILO, 2023a). Strategies and actions to promote skills harmonisation and recognition are therefore crucial for achieving Sustainable Development Goal (SDG) 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, and its targets.

<sup>&</sup>lt;sup>3</sup> It is important to recognise that obstacles to skilled worker mobility extend beyond skills harmonisation and recognition, to include political, legislative, institutional challenges (e.g. restrictions on hiring foreign workers in certain occupations, entry barriers relating to language, culture or other) (Yue et al., 2019). Nevertheless, achieving skills harmonisation and recognition, through various mechanisms and pathways, can be conceived as a critical steppingstone towards advancing skilled worker mobility.

#### Regional and international frameworks and resources

There are a number of international and regional instruments relating to skills harmonisation and lifelong learning, including the ILO Human Resources Development Recommendation, 2004 (R195), which calls for international cooperation to "promote recognition and portability of skills competencies and gualifications nationally and internationally" (Art. 21), and the UNESCO Asia-Pacific Regional Convention on the Recognition of Qualifications in Higher Education (Tokyo Convention). Additionally, there are several documents and frameworks relevant to this operational area at the ASEAN level, reflecting the cumulative, collaborative efforts of ASEAN Member States over the vears, Significant milestones have been reached, although much work remains to be done. An important achievement has been the development and endorsement of the ASEAN Qualifications Reference Framework (AQRF), which was completed in 2015. Since then, an AQRF Committee was established in 2017 to support the implementation of the AQRF and associated processes, including the ongoing referencing by ASEAN Member States of national qualification frameworks (NQFs) and quality assurance systems against the AQRE<sup>4</sup> At the time of writing of this Document, four ASEAN Member States have had their referencing report endorsed by the AQRF Committee, and have therefore completed the process. There are several features of the AQRF, which make it a particularly useful tool. For instance, the AQRF does not require AMS to change their NQF, thus NQFs can still respect each country's specific structures, processes and priorities. Countries can decide when to engage with AQRF, and can decide to do so on a voluntary basis.<sup>5</sup> Another key feature of the AQRF is the use of learning outcomes (knowledge, skills, competences) as opposed to inputs (e.g. training duration etc.). This enables the AQRF to cover all education and training sectors (formal, informal, non-formal learning) and therefore supports the recognition of prior learning (RPL) and lifelong learning.

ASEAN Member States are at different stages of the development and implementation of NQFs, and have followed different trajectories in that regard. For instance, in Thailand, qualification frameworks were developed independently for the three education sectors: basic, vocational and higher education before the NQF was established as an umbrella qualification framework. Nevertheless, there are some common challenges across AMS, particularly with regards to implementation (e.g. shifting towards learning outcomes as a basis for qualifications can be difficult and exert pressure on higher education institutions). Some helpful guidance is available through the **Guidelines on Developing and Strengthening Qualification Frameworks in Asia and the Pacific – Building a Culture of Shared Responsibility** (UNESCO, 2018a). To complement the AQRF, the **ASEAN Guiding Principles for Quality Assurance and Recognition of Competency Certification Systems** was adopted in 2016.<sup>6</sup> The latter document provides an overview of NQFs and competency certification systems of ASEAN Member States, and guiding principles for quality assurance<sup>7</sup>, for the recognition of competency certification systems,

<sup>&</sup>lt;sup>4</sup> Referencing is the process by which an individual AMS establishes a relationship between its NQF levels and the eight levels of the AQRF. The process involves identifying the best fit/ correspondence of NQF levels to the AQRF levels in a broad sense. For AMS that don't have an NQF, referencing can still be done by identifying the best fit for national qualification types or key qualifications to AQFR levels.

<sup>&</sup>lt;sup>5</sup> AMS which decide to partake in the referencing process are required to submit and AQRF Referencing Report, corresponding to 11 AQRF Referencing Criteria for consideration by the AQRF Committee. The Referencing Report should be approved by relevant stakeholders in the AMS prior to submission for consideration by the AQRF Committee (ASEAN Secretariat, 2018).

<sup>&</sup>lt;sup>6</sup> Phase 3 of the Project "Strengthening the Quality of Assurance and Competency Systems within ASEAN Economies through the Application of ASEAN Guiding Principles for Quality Assurance and Recognition of Competency Certification Systems", linked with the SLOM-WG Work Plan 2021-2030, currently underway, is included under the planned actions for outcome 6.1 of the ATC Work Plan 2021-2030.

<sup>&</sup>lt;sup>7</sup> On quality assurance, the AQRF proposes three frameworks that can be used as benchmarks in the referencing process: the ASEAN Quality Assurance Framework, the East Asia Summit Technical Vocational Education and Training Quality Assurance Framework (EAS TVET QAF) and the INQAAHE Guidelines of Good Practice in Quality Assurance. More information on these frameworks is available in the Appendix of the ASEAN Guiding Principles for Quality Assurance and Recognition of Competency Certification Systems (ASEAN Secretariat, 2016).

and for participation in national referencing activities. Insights from these documents and from the experience of ASEAN Member States in establishing their NQFs are also considered in *Box 1. Guidelines for Operational Area 1.* 

The importance of enhancing lifelong learning and the relevance of skills harmonisation and recognition in this regard is strongly reflected in the ASEAN Declaration on Human Resources for the Changing World of Work and its Roadmap (henceforth referred to as ASEAN HRD Roadmap). For instance, possible action areas under the ASEAN HRD Roadmap's programme area 'cultivating a lifelong-learning culture' include an ASEAN credit transfer system, recognition of prior learning and encouraging the harmonisation of TVET competency standards and recognition in AMS (e.g. through continued implementation of the ASEAN-ROK TVET mobility programme), among others.<sup>8</sup> There are also a number of relevant planned actions under the ASEAN TVET Council (ATC) Work Plan 2021-2030, particularly under Outcome 6: 'Harmonised TVET policies/ frameworks to improve the whole ASEAN TVET environment'.9 Finally, skills recognition for care workers, alongside the 'valuing' of unpaid care work, constitutes a key enabler for the development of an 'ASEAN Care Economy' to further sustainable development and protect vulnerable population segments in response to complex crises and challenges, consistently with the ASEAN Comprehensive Framework on Care Economy, and in line with the ASEAN **Comprehensive Recovery Framework (ACRF).** 

#### Pathways to mutual skills recognition

The AQRF process is not the only mechanism used by ASEAN Member States to enhance skilled labour mobility within the region. Other complementary mechanisms include ASEAN Mutual Recognition Arrangements (MRAs) and Mutual Recognition of Skills (MRSs). There are different possible pathways to MRAs: inclusive MRAs covering most occupations, narrow MRAs limited to specific sectors and occupations, and an 'umbrella agreement approach' which would provide detailed guidelines for future MRAs (ADB, 2017). In ASEAN, the second approach has been used in a few instances, with MRAs signed in the tourism sector, and several regulated and highly gualified occupations including accountancy, architecture, dentistry, engineering, medicine, and nursing. As MRA processes can be guite lengthy and resource intensive, and can face multiple challenges to implementation/ operationalisation (including due to political/ political economy factors), partial recognition can be a good option if accompanied by clear and simple guidelines for compensatory measures (e.g. mentoring, on-the-job training, etc). Similarly, the MRS initiative can also be implemented to promote skills recognition of low-to-middle skills category of migrant workers. There are good practice approaches within the region that are emerging to facilitate the process (e.g. the comparability of skills certificates issued by Thailand and Cambodia in bricklaying and plastering has been officially assessed and agreed, providing the technical basis for mutual recognition of skills. The tools and processes of MRS that have been pilot tested has potential for replication in broader occupational areas and different migration corridors. Planned actions for the enhancement of MRS between sending and receiving countries of migrant workers in low-skilled and middle-skilled occupations (under the SLOM-WG Work Plan 2021-2025) have been integrated in the ATC Work Plan 2021-2030 under outcome

<sup>&</sup>lt;sup>8</sup> The Roadmap includes five related outcomes and programme areas: 1. Cultivating a lifelong learning culture, 2. Improving inclusiveness in education and employment, 3. Shifting towards demand-driven competencies and qualifications, 4. Responsive and cohesive labour, educational, economic policies and institutional frameworks, including "policies and frameworks to support lifelong learning, 21st century skills, green skills, worker mobility, sector-based skills needs assessments and strategies, career progression maps, workplace learning, including apprenticeship, business models incorporating upskilling-reskilling, mutual recognition of skills to support labour mobility", and 5. Sound human resource development policies and financing, including for financing of lifelong earning (ASEAN Secretariat, 2020a).

<sup>&</sup>lt;sup>9</sup> Key result areas under the ATC Workplan Outcome 6 include the promotion of mutual skills recognition (through strategies for harmonization, and development and dissemination of regional standards; information sharing on TVET qualification frameworks, accreditation and quality assurance), and the promotion of skills competitions (e.g. ASEAN Skills Competition) as a mechanism to align skills and qualifications in the region.

'6.1 Promotion of mutual recognition of skills.' However, there is a need for coordination and dialogue mechanisms between the AQRF Committee, the ATC, and the MRS project to ensure a better understanding among ASEAN Member States of progress made and how the activities implemented contribute to building mutual trust and confidence on skills recognition.

#### Quality assurance and recognition of competency standards at the national level

A good example of initiative to strengthen competency standards and recognition at the national level is the establishment of the Malaysia Board of Technologists (MBOT) as a professional body under the Ministry of Science, Technology and Innovation (MoSTI) through the Technologists and Technicians Act 2015, following the recommendation of the Tenth Malaysia Plan (10MP).<sup>10</sup> The MBOT is responsible for the recognition and registration of Technologists and Technicians as professionals; support the provision of education and training and development programs for registered professionals; support the conduct of assessments; determine and regulate conduct and ethics of the profession; keep abreast of recent developments that impact the profession; and more.

Another noteworthy example, particularly from the perspective of inclusion, is Technical Education and Skills Development Authority (TESDA)'s Women's Center (TWC), the first TVET institution in Asia to earn international accreditation by the Asia-Pacific Accreditation and Certification Commission (APACC).<sup>11</sup> The TWC is an institution geared towards 'quality-assured, inclusive and gender-fair TVET'. The TWC provides Competency-Based Training (CBT) and Technology-Based Community Training programs, and other support services (e.g. on-the-job training, job placement, career guidance, and free assessment services among others) prioritising vulnerable groups including disadvantaged women, persons with disabilities, out-of-school youth, informal sector workers, unemployed and underemployed workers and returning Overseas Filipino Workers (OFWs) and their wives and dependents. For instance, the TWC tackles gender-specific barriers to quality TVET through the availability of night classes in certain programs, day care services, and gender-sensitive training. The programs offered are nationally promulgated, and upon successful program completion, trainees are required to undergo competency assessment and acquire a National Certificate.

ASEAN Member States may also draw inspiration from European countries, particularly from actions of the European Training Foundation (ETF) in supporting its partner countries in reforming and strengthening their TVET quality assurance systems. Such actions include awareness raising, information dissemination, policy advice, learning activities, competence development and various pilot projects.<sup>12</sup> As per the ETF approach, different tools are available for evaluating TVET quality assurance at the national level including the Torino Process reviews<sup>13</sup>, reporting, evaluation processes; networking, capacity-building, peer learning and peer review activities. For instance, within ASEAN, peer review, which can be defined as a type of mutual voluntary learning activity with the objective to support improvement and review transparency of quality assurance arrangements at the system level, can be conducted, based on a methodology to be developed by the ASEAN TVET Council (ATC).

<sup>&</sup>lt;sup>10</sup> <u>https://www.mbot.org.my/faqs/general/</u>

<sup>&</sup>lt;sup>11</sup> <u>http://twc.tesda.gov.ph/index.php?page=links&linksID=1</u>, and TWC brochure.

<sup>&</sup>lt;sup>12</sup> https://www.etf.europa.eu/sites/default/files/m/B77049AC22B5B2E9C125820B006AF647\_Promoting%20QA%20in%20VET.pdf

<sup>&</sup>lt;sup>13</sup> The Torino Process is a participatory process, which "embeds VET within the socioeconomic context and ensures that the analysis is informed by relevant evidence and takes place through structured dialogue." <u>https://www.etf.europa.eu/sites/default/files/m/03ECEEF86B12</u> AD1AC125799800576EEB The%20Torino%20Process.pdf

<sup>&</sup>lt;sup>14</sup> https://www.etf.europa.eu/sites/default/files/m/B77049AC22B5B2E9C125820B006AF647\_Promoting%20QA%20in%20VET.pdf

#### Initiatives supporting lifelong learning in ASEAN Member States

A notable recent example of initiative supporting lifelong learning in the ASEAN region is the Philippine Credit Transfer System (PCTS), developed through the joint efforts of the Commission on Higher Education (CHED), the Technical Education and Skills Development Authority (TESDA), the Department of Education (DepEd), the Professional Regulation Commission (PRC) and the Department of Labor and Employment (DOLE). The PCTS will facilitate students' transitions from a technical vocational institution to a higher education institution and vice versa, in related course areas, through a process of "matching of learning outcomes" conducted by a panel of experts from both institutions.<sup>14</sup> During the upcoming academic year, the PCTS will be piloted in Agricultural and Biosystems Engineering, Dentistry, Hotel and Restaurant Management/ Hospitality Management, before being expanded to other areas. The PCTS implementation will be reviewed after three years of operation.<sup>15</sup>

Other good practice examples of forward-looking initiatives to support lifelong learning in the ASEAN region include exploring and integrating virtual and blended learning approaches (e.g. TESDA Online Program in the Philippines), and micro-credentials (e.g. Thailand UMAP Micro-Credentials Program, Malaysia's Digital Skills Training Directory; see Appendix, Table 3 for more detail). Specifically, micro-credentials (obtained through shorter learning programs) complement macro-credentials (full degree or qualification programmes) thus promoting worker agility and flexibility (Wang, 2022). Indeed, recent developments, specifically, technological advances enabling a rapid increase in the diversity of learning approaches and modalities - a process that has been accelerated by the COVID-19 pandemic - are leading to a global shift towards micro- and digital credentials, which is expected to have critical implications for harmonisation and recognition of learning across borders in the years to come (ILO, 2023a; UNESCO, 2018b). It is worth noting that while micro credentials are responsive to rapidly changing labour market needs, provide flexible learning pathways and upskilling and reskilling opportunities, and promote lifelong learning among other strengths, they also have drawbacks and weaknesses in terms of the proliferation of unregulated micro credentials, the complexity and variety of offering, lack of transparency regarding quality assurance, challenges to recognition, and from an inclusion perspective as well.<sup>16</sup> In general, in a context where digital divides are still significant particularly for certain disadvantaged segments of the population, there is a need to ensure that a shift towards digital learning modalities works to enhance access to training rather than leave vulnerable groups behind.

#### Box 1 Guidelines for operational area 1: Skills harmonisation and recognition

The harmonisation and recognition of skills and training standards is a long-term undertaking, requiring the sustained engagement of multiple stakeholders (i.e. it cannot be done by the education and TVET sector alone). It requires significant commitment and investment in terms of resources and require having adequate infrastructure (technical and institutional) in place in terms of national skills and qualification frameworks. These guidelines therefore provide recommendations on three fronts to be used as deemed relevant to each AMS' national context.

<sup>&</sup>lt;sup>14</sup> https://news.abs-cbn.com/news/05/30/23/ched-eyes-rollout-credit-transfer-system-this-year#:~:text=PCTS%20is%20a%20joint%20 program.vocational%20and%20higher%20education%20courses.

<sup>&</sup>lt;sup>15</sup> https://filipino.news/2023/05/30/ched-eyes-rollout-credit-transfer-system-this-year/

<sup>&</sup>lt;sup>16</sup> See for instance <u>https://vdc.edu.au/vdc-news/strengths-and-weaknesses-of-micro-credentials/</u>

- 1) **Quality assurance and recognition of competency standards at the national level.** In line with the *Guiding Principles for Quality Assurance and Recognition of Competency Standards*:
  - Establish effective systems, with clear and transparent procedures for registration, accreditation, assessment, and certification, including at sectoral level.
  - Designate a competent body, responsible for all or some aspects of the competency certification system (e.g. qualification authority, body responsible for occupational standards development/endorsement, awarding body, or competency certification body) which follows agreed upon principles and protocols for such bodies;
  - Develop the capacity of providers of assessment services to conform to agreedupon principles and protocols.
  - Support the mutual recognition and strengthening of TVET quality assurance at the systemic level through a peer review process among AMS, following a methodology for quality assurance in TVET (e.g., agreed-upon methodology developed by the ATC).
- 2) Strengthening national skills systems and qualification frameworks and promoting lifelong learning.
  - Support stakeholders across education sectors (basic, TVET, higher education) in shifting towards the use of learning outcomes as basis for qualifications in NQFs/NQS where this is not yet in place. This is consistent with lifelong learning, and sets the stage for referencing to the AQRF.
  - Improve pathways between formal, nonformal and informal education, including through recognition of prior learning and achievements (e.g. Malaysia Ministry of Human Resources), and through simplifying/ rationalising credit transfer systems at the interface of TVET and higher education (e.g. Philippines Credit Transfer System).
  - Identify access barriers to quality skills provision for women, out-of-school youth, persons with disabilities, ethnic minorities or other target groups and strive to address them (e.g., TESDA Women's Center).
  - Explore and implement strategies to increase stakeholder engagement and ownership in national skills systems and qualification frameworks.
  - Develop and leverage partnerships between national and external stakeholders to address specific challenges, including for emerging issues (e.g. assessing the implications of digital and micro-credentials for skills harmonisation and recognition and their inclusion in NQFs).
  - Use NQFs as 'powerful change agents' to influence education and training practices, and the objective of referencing to the AQRF as a means of generating momentum and support for strengthening NQFs (e.g. PQF development and referencing process in the Philippines).

#### 3) Mechanisms for mutual recognition of skills

- Implement an effective and transparent recognition process of competency certification systems (e.g. agreeing on a benchmark for evaluating AMS competency certification systems, describing the structure of existing systems against the benchmark, outlining the legal basis and responsibilities of relevant competent bodies, etc.), following the principles and guidelines listed in the Guiding Principles for Quality Assurance and Recognition of Competency Standards.
- Explore different mechanisms including mutual recognition arrangements (MRAs) and mutual recognition of skills (MRSs), and different pathways (e.g.

partial arrangements with compensatory mechanisms such as on-the-job training, mentoring, etc.) depending on country context and circumstances (e.g. stakeholder engagement and support at the sectoral level, labour migration patterns, etc.); systematically monitor and document the experiences and progresses of various mutual skills recognition initiatives.

• Implement a gradual approach for strengthening NQFs and for referencing to the AQRF (if not yet done) and establish a muti-stakeholder committee to oversee the process, with clear responsibilities, targets and milestones.

Source: Author's analysis/ synthesis based on international and regional resources and good practice examples.

### **II.2 Labour Productivity**

• **Operational area 2.** "Foster the efforts to increase labour productivity of ASEAN Member States through strengthening policy measures and implementation of a holistic framework in the management of labour productivity which involves institutional approaches, strategies, and cultures."

#### Relevance of operational area

Labour productivity is a key measure and determinant of worker competitiveness, strongly related to decent work outcomes and improved living standards. Productivity growth and the equitable sharing of productivity gains through social dialogue between business owners and investors and workers leading to improved wages and working conditions are critical for sustainable efforts to reduce poverty. Labour productivity is defined as value added or output produced by one unit of labour (worker or hour of work). Changes in labour productivity at an aggregate (national) level have much to do with changes in economic structure (e.g. changing share of different sectors and economic activities in national level gross value added and employment), within-sector or within-industry changes in productivity (due to changing firm distribution within industries), and changes in firm-level productivity (related to workforce skills, technology and equipment and other factors). Labour productivity is therefore determined by workers' skills and abilities, but beyond that, it is also a function of the quality and efficiency of the machinery, equipment, production processes, workplace practices and industrial relations at the enterprise level (i.e. collaborative labour relations based on compliance with standards, consultations and cooperation between departments and between workers and management (see also Operational Area 4). It is also supported by a broader policy environment that promotes technological adoption and innovation, improved infrastructure and connectivity (e.g., roads, access to markets, digital infrastructure) and an education and skills systems that deliver highly qualified workers. For this reason, productivity improvement should be a shared responsibility of governments, enterprises, and workers. It is important to note that while labour productivity is intricately tied with competitiveness, sustained labour productivity growth also requires an agile and resilient workforce. Therefore, other measures aimed at strengthening agility and resilience such as investments in Occupational Safety and Health (OSH) and social protection also contribute to enhancing labour productivity.

#### Regional and international frameworks and resources

The ILO's Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) and the Vientiane Declaration on Transition from Informal Employment to Formal Employment towards Decent Work Promotion in ASEAN (2016), address a major and persistent constraint to productivity growth and decent work outcomes in

the region: widespread informality. As per R204, coherent and integrated strategies to facilitate the transition to the formal economy should be designed while paying special attention to gender equality and non-discrimination, and groups that are vulnerable to the most serious decent work deficits in the informal economy, including but not limited to women, young people, migrants, older people, indigenous and tribal peoples, persons living with HIV or affected by HIV or AIDS, persons with disabilities, domestic workers and subsistence farmers. Other insights for labour productivity in the region can be found in the report 'Managing Technology's implication for work, workers, and employment relationships in ASEAN' (2021), and various ASEAN declarations and instruments relating to technology, jobs and skills, including the ASEAN Declaration on Innovation (2017), the ASEAN Strategic Action Plan for SME Development 2016-2025, and the ASEAN Leaders' vision for a resilient and innovative ASEAN (2018).

An important international instrument for promoting enterprise and worker productivity is the most recently adopted ILO Quality Apprenticeships Recommendation (2023). The recommendation recognises the importance of promoting and developing quality apprenticeship to support lifelong-learning opportunities, enhance productivity, support their resilience, facilitate labour market transitions, and thus contribute to decent work creation and enterprise sustainability. The recommendation emphasises the need for promoting and regulating apprenticeship, including through social dialogue to enhance guality and benefits to both workers and enterprises. This recommendation provides guidance that complements existing knowledge on the importance of partnerships and industry engagement in the overall skills development process. The ILO Toolkit for Quality Apprenticeship (Volume I: Guide for Policymakers<sup>17</sup>; and Volume II: Guide for Practitioners <sup>18</sup>) are valuable resources. These Guides describe the importance of guality apprenticeship systems, and building blocks (robust regulatory frameworks, clear roles and responsibilities. equitable funding arrangements, strong labour market relevance, inclusiveness, and social dialogue) and practical steps for developing these systems. The Guides draw on an extensive literature, including a study (Fazio et al., 2016) that covers challenges for implementing quality apprenticeship in Latin America and the Caribbean, which include high levels of informality and high incidence of Small and Medium Enterprises (SMEs).

The Regional Study on Labour Productivity in ASEAN (ASEAN Secretariat, 2021a) found a statistically significant impact of the level of human capital on labour productivity in ASEAN Member States. The Study suggested that returns to human capital growth in the region were greater than those of other determinants of productivity, and proposed a holistic approach to serve as framework for ASEAN and AMS to manage productivity and maximise human capital potential, that comprises three levers: institutions (stakeholders), strategy (specific strategic thrusts, programmes, policies, initiatives) and culture (shared values underlying all efforts). The Study's proposed approach has 5 strategic thrusts: 1) Continuous skills development, 2) Human capital management (allocating resources to uses), 3) Maximising efficiency and effectiveness of human capital at work (management practices of enterprises, work environments, etc.), 4) Inclusive engagement and shared prosperity, and 5) Culture that has as embedded value the pursuit of continuous improvement in human capital productivity. As a follow-up to the Study, a composite index for labour productivity in ASEAN has been developed, which would help measure labour productivity gaps and facilitate cross-country comparisons, while accounting for the contributions of different factors that affect productivity. At the time of writing, baseline data for the index have been collected from ASEAN Member States.<sup>19</sup>

<sup>&</sup>lt;sup>17</sup> https://www.ilo.org/wcmsp5/groups/public/---ed\_emp/---ifp\_skills/documents/publication/wcms\_607466.pdf

<sup>&</sup>lt;sup>18</sup> https://www.ilo.org/wcmsp5/groups/public/---ed\_emp/---ifp\_skills/documents/publication/wcms\_748751.pdf

<sup>&</sup>lt;sup>19</sup> Based on inputs from ASEAN Secretariat.

#### Improving labour productivity at the enterprise and worker levels

While innovation and digitalisation have significant potential for productivity growth, this potential is impeded by a number of challenges and bottlenecks in the ASEAN context. These include large digital divides, unequal access to technologies and limited diffusion or transfer of innovation from high-performing to less performing firms, due to various factors like access to finance and skill gaps (Dabla-Norris et al., 2023). Policies that address these challenges include tax incentives and subsidies for R&D, support for partnerships between the private sector and academia, improvement of digital infrastructure, legal environment (e.g. data protection) and investment in workforce skills development. Examples of such policies that tackle barriers to innovation, and make it more accessible are Singapore's Enterprise Innovation Scheme (EIS), and the establishment of the Regional TVET Innovation Center (RTIC) in the Philippines, as well as a nationwide network of innovation centres, in line with the country's strategic thrust towards achieving global competitiveness, workforce inclusion and poverty reduction.

As SMEs face greater challenges to productivity, targeted policies to support productivity growth for these enterprises are needed. For instance, the importance of measures for tackling informality, improving access to finance, reducing digital divides, enhancing SME access to broadband networks, and strengthening business services to SMEs and collaboration among them, is also echoed in the OECD **Report on Promoting the Productivity of SMEs in ASEAN Countries** (OECD, 2021a). There is also evidence of benefits for SMEs making use of quality apprenticeships in terms of a positive impact on all measures of productivity (Fazio et al., 2016). Apprenticeships help young people acquire specialised skills, and improve SMEs access to technological innovation through apprenticeship for workers include improvement in job quality (higher wages, working conditions, formality), stability (better job matching and longer duration of first job) and shorter duration of unemployment/smooth school-to-work transitions.

More generally however, productivity enhancement at the enterprise level requires maximising the efficiency and effectiveness of human capital at work, namely through adequate allocation of resources to use, improving management practices and work environments, and through the 'inclusive engagement' of stakeholders as reflected in the strategic thrusts of the **Regional Study on Labour Productivity in ASEAN**. For instance, there are important synergies between improvements in OSH and industrial relations and labour productivity at the enterprise level.<sup>20</sup> Conflictual labour relations impose costs in terms of sub-optimal use of facilities and production processes, which are then converted into higher costs and prices, adversely affecting productivity. This also results in material and energy inefficiencies and increased pollution, affecting the sustainability of enterprises.

Similarly, poor OSH affect working conditions and dampen resilience and labour productivity. The ILO's 'Work Improvements in Small Enterprises' (WISE) project, which leverages synergies between OSH, workplace practices and productivity, was first piloted in the Philippines and subsequently implemented in several ASEAN Member States, including Cambodia, Lao PDR, Indonesia, Malaysia, Thailand and Viet Nam.<sup>21</sup> A key feature of the approach is the engagement of workers and trainees in the identification of problems that affect both safety and productivity and in developing solutions to address them. The approach was adapted to the agriculture sector under the 'Work Improvement in Neighbourhood Development' (WIND) and piloted in several provinces in Viet Nam before

<sup>&</sup>lt;sup>20</sup> See for example ILO 2009. Occupational safety and health: Synergies between security and productivity.

https://www.ilo.org/wcmsp5/groups/public/---ed\_protect/---protrav/---safework/documents/meetingdocument/wcms\_110380.pdf

<sup>&</sup>lt;sup>21</sup> https://www.ilo.org/wcmsp5/groups/public/---ed\_protect/---protrav/---safework/documents/instructionalmaterial/wcms\_110322.pdf

being expanded to Cambodia, the Philippines, Thailand, and other countries in other regions.<sup>22</sup>

A good practice example of initiatives to improve productivity through OSH is the occupational health division of Indonesia's Ministry of Health giving training to provincial and district level health officers to ensure quality occupational health services and workers' productivity in workplaces across the country.<sup>23</sup> Additionally, the 'Healthy Productive Women Workers Movement', initiated and regulated in 2018 by four Indonesian Ministries (Ministry of Health, Ministry of Manpower, Ministry of Home Affairs, and Ministry of Women Empowerment and Child Protection) requires workplaces to ensure women workers' rights on reproductive health, promotive and preventive programs for communicable and non-communicable diseases, nutrition at the workplace, lactation programs, and environmental control for women workers at risk. These two examples are noteworthy as they demonstrate how other government departments (not only Labour ministries), and how intergovernmental coordination and collaboration, can make an important contribution towards labour productivity improvement.

#### Labour productivity, structural transformation, and sectoral policies in ASEAN

A Study by the ADB Institute (Helbe, Long and Le, 2019) found that while labour productivity growth in most Asian economies has been largely driven by a shift from agriculture to services, this growth has been driven to an important extent by high-skilled workers within the service sector. The study emphasises the importance of upskilling and training, and of better understanding how labour productivity gains are distributed not only between capital and labour, but also among workers of different skill levels, which is key to enable service-led development to lead to inclusive and sustainable economic growth. While the latter study focuses on service-led development, the structural transformation process – a key driver of labour productivity growth at the national level – is complex and differs significantly across AMS. Indeed, in a number of ASEAN Member States, agriculture still accounts for a significant – although declining – share in employment, making the need to increase labour productivity in the sector important in these national contexts.<sup>24</sup> There are examples of policies and initiatives to increase labour productivity in agriculture in several AMS (see Appendix, Table 3).

There are also good practice examples to boost industry and manufacturing productivity, in addition to services, namely through sectoral strategies and approaches. Singapore's Industry Transformation Maps (ITMs) are noteworthy, good practice examples, not only for productivity growth but also for facilitating industry transformation, and skills and career progression for workers. A tripartite body, the Future Economy Council, oversees the ITMs process. The ITMs, and their corresponding Skills Frameworks, which constitute an integral part of the ITMs, are developed and implemented through collaborative efforts of employers, industry transformation and productivity led-growth go hand-in-hand with advancing the SkillsFuture agenda and fostering a culture of lifelong learning in Singapore. The Philippines' Inclusive Innovation Industrial Strategy (i<sup>3</sup>S) is also a good practice example, encompassing strategies linked to innovation and technological adoption,

<sup>&</sup>lt;sup>22</sup> https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms\_099075.pdf

<sup>&</sup>lt;sup>23</sup> For instance, the training topics included 'Occupational Disease Diagnoses for Medical Doctors', 'Occupational Health and Safety Training for Healthcare Workers', 'Orientation on Occupational Health and Safety at Offices', and 'Occupational health and safety training/ orientation for informal sector worker'.

<sup>&</sup>lt;sup>24</sup> In the last year for which data are available, the agriculture sector accounted for 56 per cent of employment in Lao PDR (2017), 46 per cent in Myanmar (2020), 37 per cent in Cambodia (2021), 34 per cent in Viet Nam (2022), 30 per cent in Thailand (2022), 29 per cent in Indonesia (2022), and 24 per cent in the Philippines (2021). Source: Author's calculations based on ILOSTAT.

upskilling and reskilling of the workforce, investment in infrastructure and regulatory reforms and improving the business environment. The I<sup>3</sup>S aims to enhance the competitiveness of agriculture, manufacturing, and service industries through building an innovation and entrepreneurship ecosystem, removing obstacles to growth and attracting investment, strengthening domestic supply chains and deepening industry participation in global and regional value chains. In addition to the role of social dialogue in their development and implementation, factors that underlie the success of these policies and initiatives include adequate government support in the form of institutionalisation and adequate funding.

#### Comprehensive approaches to improve labour productivity

Recognising that multiple factors can impact productivity at the national, institutional, sectoral, firm level and worker level, Malaysia developed the National Productivity Blueprint (launched in 2017), which represents a comprehensive, holistic approach to improving productivity. The collaborative and consultative process used to develop the Blueprint is certainly a good practice example, highlighting the importance of social dialogue and trust building for productivity enhancement. The process integrated inputs from over 500 stakeholder groups across government, industry experts, professional boards and associations, universities, training institutes and enterprises on the ground through workshops, focus group discussions and a national survey of enterprises. It involved the identification of challenges at a national, sectoral and enterprise levels, and the development of strategies to address these challenges by drawing from global good practices (for national level), identifying priorities (at the sectoral level), and sharing productivity metrics tool and recommendations at the enterprise level.

#### Box 2 Guidelines for operational area 2: Labour productivity

Many factors can hold back productivity growth, although the relative importance of these factors can differ across ASEAN Member States, and even within countries across different industries and enterprises. In all cases, challenges are likely to span national and institutional, sectoral, firm and worker level, and for this reason, comprehensive approaches are needed. These Guidelines provide recommendations for strategies to enhance productivity at the national, sectoral, and enterprise and worker levels. Although a holistic approach (e.g., Malaysia Productivity Blueprint) covering all levels is ideal, it may not always be possible. Countries can determine what aspects need more urgent action and prioritise addressing these areas.

#### 1) Enterprise and worker level

- Incentivise innovation and technology adoption through tax relief measures and subsidies.
- Target SMEs in policies to enhance productivity, and address structural barriers to SMEs' access to technology and innovation and support technology diffusion across firms (refer to recommendations of the ASEAN Strategic Action Plan for SME Development 2016-2025).
- Improve labour relations within enterprises through social dialogue and compliance with labour law and standards, creating enabling conditions for social and economic sustainability of enterprises.

- Promote and build capacity of stakeholders for improved OSH outcomes.
- Improve organisational processes and workplace practices, include equal opportunity policies, and measures to support work-life balance for workers, and eliminate all forms of discrimination, violence, and harassment at work.
- Encourage partnerships between enterprises and TVET and education providers for improved training provision, including on-the-job training
- Develop and strengthen quality apprenticeship programs and systems, and promote apprenticeship in SMEs.

#### 2) Sectoral approaches

- Designate priority sectors/ industries of strategic importance for the country, and where productivity enhancement can have significant impact, including spill over effects to other sectors.
- Collaborate with industry associations, unions, and employers in identifying binding constraints to productivity growth in specific industries, and develop roadmaps and action plans to address these constraints (including for improving domestic supply chains, deepening participation in regional and global ones).
- Integrate skills frameworks and sectoral skill strategies in sector plans and roadmaps (e.g. Singapore ITMs). Sectoral strategies to enhance productivity can be effective in promoting green transitions and responding to technological advancement, while integrating skills investment as part of the efforts. Such strategies can also help identify and address gender gaps including occupational segregation.

#### 3) National level strategies

- Undertake national level study to identify productivity gaps and their key sources in the national context, and develop solutions that consider the three levers (institutional, strategic, and cultural) as per the Regional Study on Labour Productivity in ASEAN and its strategic thrusts.
- Develop action plans in line with the structural transformation process underway, and taking into account country specificities, ensuring that benefits from productivity growth are equitably shared (thus lead to further productivity enhancement).
- Encourage partnerships and collaborations (inter-ministerial and publicprivate) for the development and implementation of strategies to tackle productivity constraint (e.g.; OSH, skills, etc.)
- Streamline business registration and improve regulatory processes, encourage formalisation and develop strategies that adequately address challenges for groups that are vulnerable to the most significant decent work deficits in the informal economy (consistently with Vientiane declaration and ILO R204).
- Improve innovation ecosystems and connectivity, invest in infrastructure.
- Invest in workforce skills, bridging the digital divide, upskilling/reskilling and promote a culture of lifelong learning.

Source: Author's analysis/ synthesis based on international and regional resources and good practice examples.

#### **II.3 Business development and youth entrepreneurship**

• **Operational area 3.** "Encourage the participation of the communities as well as private business in capacity building initiatives and business incubation strategies to enable young talent, including those in the rural areas, to create start-up businesses and develop entrepreneurships."

#### Relevance of operational area

Youth in ASEAN have a substantial contribution to make to the region's economic development. However, like other youth around the world, they often face significant barriers to labour market entry and quality employment. They are particularly vulnerable to economic shocks and crises for several reasons. For instance, when crises hit, enterprises start by reducing new hiring and are more likely to lay off recent hires who are often less experienced and have lower employment protection (which is sometimes linked with tenure). Youth are also more likely to be in informal employment and therefore have relatively limited access to social protection. This, and the fact that they are also less likely to have access to finance, resources and networks limits their resilience in times of crisis (ADB and ILO 2020). Indeed, youth who already face greater labour market challenges than adults, were disproportionately affected by the COVID-19 pandemic (both in terms of employment and education and training outcomes). It is important to recall that youth aren't a homogenous group and there are youth with multiple characteristics based on gender, disability, gender identity, ethnicity, indigenous status and other intersecting characteristics that put them at a greater risk to discrimination, violence and harassment.

It is now widely understood that youth employment is a complex development challenge, which requires comprehensive and integrated solutions to tackle underlying causes structural, economic, social, cultural - and that these solutions must involve targeted action on both the supply and demand side of the labour market, in order to not only enhance the employability and competitiveness of young workers and labour market entrants, but to also create decent work opportunities for them (Osborne and Vandenberg, 2022). Such an understanding is echoed in Operational Area 3 of the ASEAN Declaration on Promoting Competitiveness, Resilience and Agility of Workers for the Future of Work, which focuses on the labour market inclusion of youth, including those in rural areas, through strategies that help leverage their innovative talent, and enhance their capacities to start, sustain and scale-up their businesses. Such strategies strengthened by the effective participation of communities and private businesses, support worker competitiveness and agility, enabling them to take advantage of existing and emerging decent work opportunities and/or to create their own, therefore improve their resilience in times of crises. These strategies are also consistent with the concept of a just transition, which recognises that a shift towards more sustainable industries and practices may disproportionately affect some economic sectors, regions, and localities, and that some workers may experience job displacement, and emphasises the importance of ensuring that the green transition is equitable and fair for all workers and communities. Indeed, not only do these strategies help youth adapt and thrive amidst environmental and economic changes, but they also support their active participation in the green economy transition, contributing to climate change mitigation and environmental sustainability. Additionally, despite the above-mentioned labour market challenges for youth, and despite persisting digital divides, there are segments of the youth population in the ASEAN region that have strong digital skills which can be leveraged with adequate support to make an important contribution to the digital transition as well. These youth may also benefit from opportunities linked with flexible and remote working arrangements.

#### Regional and international frameworks and resources

At the international level, key resources include the ILO Recommendation on Job Creation in Small and Medium-Sized Enterprises, 1998 (No. 189), and corresponding ILO Guide to Recommendation No. 189 (ILO. 2022a). Additionally, an important resource for ASEAN Member States is the 'ASEAN Strategic Action Plan for SME Development 2016-2025' which provides recommendations on actions to 'promote productivity, technology, and innovation', and 'entrepreneurship and human capital development', along with other crucial areas addressing barriers to SME development and sustainability, including actions to improve access to finance, and to markets, and policy and regulatory environments. Other helpful policies and actions are proposed under the **ASEAN HRD Roadmap**'s programme area 2.1 'Improved access to and quality of education, skills training and job opportunities for all, especially women, people with disabilities, elderly, those in rural and/ or remote areas and those employed in SMEs'. Additionally, the document 'Enhancing the Resilience of MSMEs to Crises and Disasters: Regional Guidelines for ASEAN Governments' provides recommendations to relevant agencies stakeholders on developing policies and revising existing policies to support MSMEs during four phases of disaster risk management (prevention, preparedness, response, and recovery), covering different timehorizons (short-, medium- and long-term).

While youth may be the focus of this Operational Area, inclusion is a critical cross-cutting factor in this regard. Young women in ASEAN often face additional barriers to skills acquisition and securing decent employment opportunities. In addressing challenges faced by young women entrepreneurs, key insights for AMS are available in the reports 'Strengthening Women's Entrepreneurship in Agriculture in ASEAN countries' (OECD-ASEAN, 2021) and 'Strengthening Women's Entrepreneurship in National Micro Small and Medium Enterprise Policies and Action Plans' (ASEAN Secretariat, ESCAP and ASEAN-Canada, 2020). The ASEAN Youth Development Index (YDI) 2022 report, which is the second iteration of the ASEAN YDI, showed some progress in terms of 'Equity and Inclusion', and 'Safety and Security' across the region during the period 2013-2022, and highlighted an opportunity for increased investment under the 'Education and Skills' and 'Employment and Opportunity' domains. The report shows that the impact of the COVID-19 pandemic was worse for women and girls, who became more vulnerable to violence, sexual exploitation, and traditional unpaid care work, and emphasises that "vulnerable youth, including people with disabilities, ethnic minorities, and girls" are often disproportionately affected during crises (ASEAN Secretariat, 2023).

Addressing the youth employment challenge is of course central to achieving several SDG objectives, and a valuable resource for knowledge sharing and the promotion of evidence-based strategies in this regard is the **Global Initiative on Decent Jobs for Youth**. The initiative "focuses on interventions that are locally owned, aligned with national development priorities, and based on rigorous evidence of what works in different contexts", and covers eight thematic priorities.<sup>25</sup> Some of the key strategies under these thematic areas, particularly under areas '3. Youth Entrepreneurship and Self-Employment' and '5. Youth and the Rural Economy' are reflected in Box 3, including some strategies already implemented in the context of AMS, as further described below.

<sup>&</sup>lt;sup>25</sup> The eight thematic areas are: 1. Digital Skills for Youth, 2. Quality Apprenticeships, 3. Youth in the Rural Economy, 4. Green Jobs for Youth, 5. Youth Entrepreneurship and Self-Employment, 6. Youth Transitioning to the Formal Economy, 7. Youth in Fragile Situations, and 8. Young Workers in Hazardous Occupations. Source: <u>https://www.decentjobsforyouth.org/#strategy-and-themes</u>.

#### Legislative frameworks supporting MSMEs and entrepreneurship

In addition to these regional and global resources, some AMS have national level policies and legislative frameworks in place to support entrepreneurship and MSMEs. Good practice examples include, among others, the Philippines' Republic Act No. 10644 (Go Negosyo Act) and Innovative Startup Act, which also established the Philippines Startup Development Programme facilitating the creation of incubators, innovation hubs, and research (see Appendix, Table 3). Under the Go Negosyo Act, there is an explicit prescription for Negosyo Centres, which act like government one-stop shops for SMEs across the Philippines, to cater to the need of women entrepreneurs. However, an ILO study (ILO, 2021a) found identified limited information about these centres and uncertainty about their suitability to women entrepreneurs' needs as a major barrier to access SME support services. Thus, improved outreach and communication around key policies is needed.

Mirroring its holistic approach to labour productivity enhancement discussed in the previous section, Malaysia's approach to entrepreneurship development is also comprehensive in scope, with the National Entrepreneurship Policy (DKN) 2030, and a dedicated entity – SME Corporation Malaysia (SME Corp. Malaysia), under the Ministry of Entrepreneur and Cooperatives Development (MECD) – for the coordination of development programs and initiatives for SMEs and entrepreneurs across the country.

#### Improving LM inclusion through skills development and tackling the digital divide

Several innovative programs in Malaysia aim to improve labour market inclusion through tackling the digital divide. For instance, the eUsahawan programme provides digital skills training (e.g. business management, entrepreneurship, digitalisation and digital marketing) to entrepreneurs and micro and small businesses, using online and in-person modalities, and the eRezeki program enables entrepreneurs, including from low-income groups and remote areas, to access digital work opportunities through an online sharing economy platform. In the Philippines, initiatives to improve workforce inclusion through affordable and accessible skills provision include the provision of scholarships by TESDA, and TESDA Online Program (TOP). The DOLE also has several youth employability programs, including JobStart Philippines, the Government Internship Program and the Special Program for Employment of Students.

#### Resources for young entrepreneurs, including in rural areas and communities

In Malaysia, the Young Agropreneur Grant (GAM) programme targets youth entrepreneur in rural areas. The programme provides assets and equipment to young people below a certain income threshold, enabling them to engage in entrepreneurial activities along the fisheries and agriculture supply chain. An important feature of the GAM Programme is that it encourages formalisation by including the need for license or registration in the requirements for receiving the grant. It is important to note that combining grants with training and additional support services enhances impact, in particular for specific target groups. Another example of an approach to support community-based micro-entrepreneurs in complying with labour laws and standards is the Technical and Advisory Visit (TAV) process introduced by DOLE, Philippines (See Appendix, Table 3).

#### Multistakeholder initiatives and engagement of communities and private businesses

The Lao National Chamber of Commerce and Industry (LNCCI) provides a remarkable example of the private sector' playing a leadership role in promoting SMEs and entrepreneurship, through various initiatives under its Strategic Action Plan for Private Sector Development in Lao PDR 2021-2025, noting also that proving support for

SMEs is mandated in the government decree on the organisation and operation of the LNCCI.<sup>26</sup> Specifically, the second pillar of the Plan focuses on developing and improving the effectiveness of an SME support infrastructure in the form of SME Service Centres (SSCs) across many provinces, that provide start-up and incubation services, including training provision, mentorship, supporting access to finance and collecting and processing relevant data on SMEs to further improve services. The pillar includes measures for LNCCI to contribute to addressing access to finance and other SME challenges, including through the planned development of an SME Fund, SME information base and more. Other interesting examples of multistakeholder initiatives, engaging communities and the private sector in supporting young entrepreneurs in AMS can be found in the Appendix, Table 3.

Another noteworthy approach is the ecosystem development approach in AMS including Cambodia and Viet Nam. For instance, the Startup Cambodia's initiative aims to support local startups and build a vibrant entrepreneurship ecosystem in the country, through a 'one-stop digital platform' for all actors – including startups, mentors, investors, incubators, and accelerators – to interact, share knowledge and explore partnerships. Similarly, in addition to public sector involvement in the built-up of the Startup Ecosystem in Viet Nam over the past years, a large number of organisations have joined the effort, including universities, institutes and colleges across the North, South and Central regions of the country.<sup>27</sup> These institutions are contributing to the ecosystem through the establishment of incubators – providing training and capacity building, and connecting startups with other enterprises and support organisations – and through organising entrepreneurship competitions and events.

#### Box 3 Guidelines for operational area 3: Business development and youth entrepreneurship

While existing reference documents and good practice examples in ASEAN Member States address various areas linked to promoting youth entrepreneurship and MSME development, the Guidelines presented here draw on the elements of these resources and existing initiatives that most directly address the scope of the operational area, and thus focus on three main areas:

- 1) Labour market inclusion through provision of digital, financial, entrepreneurial skills
  - Tackle the digital divide through use/ combine online and physical modalities for skills development, and promote digital skills training (e.g. Malaysia's eUsahawan, Philippines' TOP).
  - Use scholarships to improve accessibility of skills provision to underprivileged groups (e.g. TESDA scholarships).
  - Explore innovative ways to extend digital entrepreneurship opportunities (e.g. Malaysia's eRezeki).
  - Explore options for developing entrepreneurship skills (e.g. incorporating into national education curricula) and for addressing constraints to quality entrepreneurship skills development (e.g. through train-the-trainer programs) as relevant to the context.
  - Combine skills development with policies addressing other barriers (e.g. access to finance, markets), and ensure the gender-responsiveness and inclusiveness of programmes in relation to all disadvantaged groups.

<sup>&</sup>lt;sup>26</sup> See LNCCI Strategic Action Plan https://lncci.la/wp-content/uploads/2021/02/LNCCI-Strategy-2021-2025-Book.pdf ; and PM Decree 237 https://lncci.la/wp-content/uploads/2020/06/New-Decree-237-18052020-ENG.pdf

<sup>&</sup>lt;sup>27</sup> https://medium.com/vietnamupstars/vietnams-startup-ecosystem-3-non-government-support-for-startups-who-is-taking-part-in-the-294a04e3092d

| 2) | Youth entrepreneurship promotion, including for young women and men in |
|----|--|
|    | rural areas and/or remote areas  |

- Improve young people's access to productive resources in rural areas, for agriculture and related activities (e.g. through regulatory reform or improved implementation of existing laws, through land-sharing schemes, and subsidies).
- Focus youth entrepreneurship schemes/ funds in rural areas towards economic diversification and agricultural development (e.g. initiatives that strengthen value chains and the expansion of youth employment opportunities in agro-industries and services to agriculture, including through technology improvement).
- Combine and build synergies between training, employment services, guidance for accessing credit and finance for youth in rural areas;
- Target entrepreneurship strategies to young women and men in rural areas and/or remote areas; implement gender-sensitive training; integrate actions to address gender-specific challenges (in accessing training, resources and employment opportunities) in entrepreneurship and SME promotion plans.
- Explore policies for greening the rural economy while supporting youth entrepreneurship and innovation, including developing 'skills for green jobs' programs.
- 3) Enhancing community and private sector participation in capacity building for young entrepreneurs and small businesses; promoting resilience, growth and sustainability of MSMEs
  - Promote and incentivise the development of business incubators and start-up accelerators.
  - Encourage social dialogue and tripartite mechanisms to address youth employment challenges; and encourage youth participation in these processes.
  - Promote network building and the establishment and development of an entrepreneurship ecosystem in the country bringing together various actors and providing platforms for knowledge sharing and cooperation (e.g. as in Cambodia and Viet Nam).
  - Consider developing a gender-responsive and inclusive youth entrepreneurship promotion strategy, identifying and addressing key binding constraints to youth entrepreneurship at the national level.

Source: Author's analysis/ synthesis based on international and regional resources and good practice examples.

## **II.4 Social dialogue and industrial relations**

• **Operational area 4.** "Strengthen the existing social dialogue towards harmonious and fair industrial relations through a cooperative bipartite consultation to promote the rights and obligations of workers and employers at the workplace, and a tripartite consultation to endeavour the formulation of proper labour policies to maintain decent work, sustainable businesses, and stable economic climate for investment to support rapid economic growth."

#### Relevance of operational area

Many factors such as global economic slowdown, high economic uncertainty, rapid pace of change due to technologies, natural disasters, economic crises, etc. pose major challenges to governments, employers, and workers alike. Social dialogue is a means of good governance and a tool that enables all parties to work together to find solutions on issues of common interest related to economic and social policies. It is a necessary component of collaborative industrial relations as it helps to improve understanding, prevent conflicts from escalating and achieve mutual objectives of the parties to the dialogue. Strengthening legal and institutional frameworks for social dialogue (both bipartite and tripartite) is crucial for promoting an effective business environment and contributes to the competitiveness, agility and resilience of both workers and enterprises. Additionally, whole-of-society approaches, including the engagement of civil society organisations (CSOs), enhance the inclusiveness of collaborative processes in finding mutually beneficial solutions to address labour market and socio-economic challenges.

The emergence of new forms of work, and specifically, the rapid rise of labour platforms<sup>28</sup>, has important implications from the perspective of collective voice and worker representation. As platform workers are generally considered independent contractors, they are unable to form unions and participate in collective bargaining. As this area is still emerging and regulatory frameworks are yet to be defined, platform workers across AMS are organising themselves into groups and associations, using Facebook, WhatsApp, Viber or other such means, to forge solidarity and develop a collective voice (ASEAN Employment Outlook 2023). In some cases, associations are working closely with unions that have stronger institutional capacities, but the potential of this approach is contingent upon many factors including the level of unionisation and efficiency of social dialogue processes, which differ across AMS, and the extent of support by other stakeholders. Additionally, platform workers are by no means a homogenous group; forging solidarity and a collective voice is more difficult for crowdworkers (e.g., due to geographic dispersion, and the fact that there are no known unions in AMS advocating for the labour rights of this group of workers) compared to on-demand workers, and also across different sub-groups of on-demand workers (e.g.; those in personal and repair services face particular challenges to representation while also facing higher risks (e.g. of abuse and gender-based violence, due to the nature of their job and work environments).29

#### Regional and international frameworks and resources

Effective social dialogue and productive industrial relations culture requires putting in place an enabling legal and institutional framework (such as legislation ensuring freedom of association and collective bargaining rights, social dialogue bodies with mandate, resources and technical support, dispute prevention and settlement mechanisms). There are many **international labour standards on social dialogue and tripartism** (see Appendix, Tables 1 and 2). These instruments seek to promote fundamental rights of workers regarding freedom of association, the right to organise and collective bargaining (C87, C98, C154, R91 and R163); promote tripartite consultations at industrial and national level (R113) and on International Labour Standards and ILO activities (C144 and R152); ensure that dispute settlement bodies and procedures are effective and contribute to the promotion of collective

<sup>&</sup>lt;sup>28</sup> Platform work includes both location-based work, also referred to as 'gig work' and 'on-demand work', and web-based work, also referred to as 'cloud work', 'online sourcing', or 'crowdwork' (ASEAN Employment Outlook 2023). <u>https://asean.org/wp-content/uploads/2023/07/ASEAN employment outlook WEB FIN.pdf</u>

<sup>&</sup>lt;sup>29</sup> https://asean.org/wp-content/uploads/2023/07/ASEAN\_employment\_outlook\_WEB\_FIN.pdf

bargaining (C154); encourage the establishment of grievance examination procedures at the enterprise level as a first step, before resorting to other procedures such as courts or arbitration (R130); encourage setting up consultation and cooperation arrangements at the enterprise level to promote mutually beneficial outcomes on issues which are not within the scope of collective bargaining or other mechanisms (R094) and formulating a communication policy at the enterprise level in consultation with worker representatives, contributing to an environment of mutual trust and understanding with enterprises (R129).<sup>30</sup>

Labour policy and labour law in a number of ASEAN Member States recognise the importance of social dialogue and cooperative industrial relations. In 2012, ASEAN adopted the 'ASEAN Guidelines on Good Industrial Relations Practice', which reflects the common understanding within the region on the importance of having a solid legal framework as a basis for good industrial relations, respecting and protecting the fundamental rights of employers and workers, promoting sound bipartite relations, collaboration and cooperation; and tripartite partnerships and social dialogue.<sup>31</sup> The document also highlights areas and approaches that promote harmonious industrial relations in the workplace, building mutual trust and respect, interacting in good faith, establishing effective dispute resolution mechanisms; as well as jointly developing mutually beneficial goals and strategies, with commitment to cooperation and shared responsibility. Industrial relations is also one of the priority areas identified in the 'ASEAN Guidelines for Corporate Social Responsibility (CSR) on Labour', which among other things, call on enterprises and establishments, both public and private, to promote effective social dialogue and respect the fundamental rights of workers, in line with international and regional instruments.<sup>32</sup>

Additional resources at the regional level include the Asia-Pacific Economic Cooperation report on **Social Dialogue as a Tool to Address Labour Market Challenges** (APEC, 2022), proposes five characteristics for effective social dialogue, as follows: 1) the process should be well-designed, with enough time and resources; 2) it should engage a broad range of actors; 3) partners should have sufficient capacity to engage; 4) there should be a conducive political climate and political willingness to engage in the process; and 5) adequate institutional processes should be in place. These recommendations and related good practice areas among ASEAN Member States are considered in Box 4 below. The importance of strengthening tripartite relations and supporting employers' and workers' organisations in the development of necessary capabilities for effective representation and social dialogue processes that balance the interests of all social partners, is reiterated in the **'ASEAN Labour Ministers' Statement on the Future of Work: Embracing Technology for Inclusive and Sustainable Growth'** (2019).

## Skills development, wages, and productivity: the role of social dialogue and industrial relations

Social dialogue and industrial relations are central to promoting workforce competitiveness, agility, and resilience, including through shaping policies around critical issues such as productivity and wages. For instance, in the Philippines, the National Tripartite Industrial Peace Council (NTIPC) constitutes the main tripartite consultative and advisory mechanism lodged with the DOLE's Bureau of Labor Relations. It functions primarily as a forum for tripartite advisory and consultation among organised labour, employer and government in the formulation and implementation of labour and employment policies.

<sup>31</sup> https://asean.org/wp-content/uploads/2021/09/Guidelines-on-Good-Industrial-Relations-Nov-2012.pdf

<sup>&</sup>lt;sup>30</sup> ILO various sources: https://www.ilo.org/global/topics/dw4sd/themes/s-dialogue-tripartism/WCMS\_560704/lang--en/index.htm ; and Arun Kumar 'Preventing & Resolving Labopur disputes: Key ILO Principles for Dispute Prevention & Resolution' <u>https://ilo.org/wcmsp5/groups/</u> public/---asia/---ro-bangkok/documents/presentation/wcms\_868082.pptx

<sup>&</sup>lt;sup>32</sup> https://asean.org/wp-content/uploads/2012/05/ASEAN-Guidelines-for-CSR-on-Labour.pdf

In recent years, there has been a growing emphasis, including in many ASEAN Member States, on the role of social dialogue in promoting worker competitiveness through improved skills development systems that are better aligned with labour market demand. For instance, in Cambodia, the National Training Board (NTB), a tripartite body established in 2005 and amended in 2014, is tasked to coordinate the implementation of the National TVET Policy 2017-2025.<sup>33</sup> Additionally, the establishment of Sector Skills Councils (SSCs) promotes and provides a mechanism for institutionalising industry involvement in enhancing skills development systems. Within ASEAN, there are SSCs in Cambodia, Viet Nam and the Philippines, and SSCs are under development in Indonesia.<sup>34</sup>

There are good practice examples relating to industrial relations, wages and productivity. such as the of the Progressive Wage Model (PWM) in Singapore and the Productivity Linked Wage System (PLWS) in Malaysia. The PWM introduced in 2012 involves tripartite partners coming together to map out career progression pathways for lower-wage workers, and set training and wage requirements for them. These efforts help to uplift wages in tandem with skills and productivity improvements. In 2021, tripartite partners expanded PWM to other sectors and occupations (e.g. food services and retail), covering up to 9 in 10 lower-wage workers with progressive wages.<sup>35</sup> The PLWS was developed as a mechanism to establish a closer link between wages and productivity, providing benefits to both employers in terms of enhanced competitiveness, and workers in terms of ensuring they receive a fair share of the benefits from productivity growth, as well as improved job stability, career advancement and job satisfaction. The implementation of Malaysia's PLWS at the enterprise level - consisting in three phases (1. Creating a conducive environment, 2. Establishing the system, 3. Implementation and feedback for continuous improvement) - has been limited by several challenges, but there are also success stories that also offer valuable lessons. The main obstacles to PLWS adoption have been limited awareness of – and uncertainty regarding - the system's benefits for companies and/or limited support within the top management; high implementation costs; employers or employees perceptions of the PLWS as not being a fair system (Parasuraman, 2023). Some of these obstacles are being addressed by the Human Resources ministry and Malaysia Productivity Corporation (MPC) through training, workshops, seminars, briefings, showcasing good practices and through the PLWS Awards Programme.<sup>36</sup> Among firms that have adopted the PLWS, the following factors - in line with recommendations of the above mentioned regional and international instruments - have contributed to its success: commitment by top management to ensure the system is enforced at all management levels, effective information change and communication and trust building among employers and workers throughout the process, and the development of a fair and transparent inspection and monitoring mechanism (Parasuraman, 2023).

Another example of using social dialogue to ensure both the competitiveness and resilience of enterprises and workers is demonstrated by the National Council on Minimum Wage (NCMW) in Cambodia. A minimum wage is set as a floor, promoting the resilience of workers by protecting them against unduly low pay and helps ensure they earn a minimum living wage. At the same time, the effectiveness of a minimum wage policy depends on its coverage (whether it affords protection to all workers), level (whether it covers the

<sup>34</sup> In Cambodia, the Ministry of Labour and Vocational Training (MLVT) established SSCs in four priority sectors in 2018 (<u>https://www.adb.org/sites/default/files/linked-documents/50394-002-ssa.pdf</u>). In Viet Nam, the Sector Skills Council (SSC) in Agriculture was launched in 2010 (<u>https://www.ile.org/sites/default/files/linked-documents/50394-002-ssa.pdf</u>). In Viet Nam, the Sector Skills Council (SSC) in Agriculture was launched in 2010 (<u>https://www.ile.org/sites/default/files/linked-documents/50394-002-ssa.pdf</u>). Sector Skills Council (SSC) in Agriculture was launched in 2010 (<u>https://www.adb.org/sites/default/files/linked-documents/50394-002-ssa.pdf</u>).

2019 (https://www.ilo.org/skills/projects/g20ts/viet-nam/WCMS\_732512/lang--en/index.htm). Under the A Future that Works program, SSCs in the Philippines have been developed in 'Analytics and Artificial Intelligence'; 'Fruit and Vegetable Processing' and Semi-conductor and Electronics' sectors (https://sectorskills.ph/about/).

<sup>35</sup> As of 2019, real median monthly gross wages for full-time resident employees in the Cleaning, Security and Landscape Maintenance sectors increased by up to 37% since PWM was implemented in each sector. Source: Singapore Ministry of Manpower.
 <sup>36</sup> Source: <u>https://www.nst.com.my/news/government-public-policy/2019/10/528979/finance-ministry-productivity-linked-wage-system</u> [accessed June 29, 2023].

<sup>&</sup>lt;sup>33</sup> Source: https://www.adb.org/sites/default/files/linked-documents/50394-002-dc.pdf [accessed June 29, 2023]

needs of workers and their families), and on employers' compliance with the regulation.<sup>37</sup> Effectiveness therefore ultimately depends on the adequate design of the policy, which can only be achieved through consultation between social partners. To facilitate this process, the Government of Cambodia adopted the Law on Minimum Wage in 2018, establishing the NCMW as a tripartite body with equal representation by government, employers and workers, to provide evidence-based recommendations and reach agreement on minimum wage setting.<sup>38</sup>

## Social dialogue and industrial relations to confront crises, transitions and labour market challenges

Singapore's strong social dialogue culture is central to developing effective solutions to address challenges in times of crises. It is also key to a forward-looking approach to anticipating and preparing for the impact of trends that have a significant potential to impact labour markets, including technology, climate change, and the rise of new forms of work. For instance, in the face of a rapid rise in platform work, and building on its strong social dialogue culture, Singapore established the Tripartite Working Group for Self-Employed Persons in 2017 to examine ways to better address self-employed persons' common challenges.<sup>39</sup> In 2021, Singapore convened an Advisory Committee on Platform Workers comprising representatives from the relevant government agencies as well as worker and employer organisations, industry experts and academia, to look into strengthening protections for self-employed persons that work for online platforms, specifically delivery persons, private-hire car drivers and taxi drivers. These protections were about ensuring adequate financial protection in case of work injury, improving housing and retirement adequacy, and enhancing representation. The committee released its recommendations in 2022, and the government is working on implementing them together with tripartite partners.

Additionally, in the context of the COVID-19 pandemic, tripartite partners in Singapore worked closely through the National Wages Council (NWC) to issue advisories on measures to guide businesses and employees. These advisories, largely based on the principle of sharing of responsibility across government, employers, and workers, helped to minimise retrenchments and extend support to workers and business (financial support, wage subsidies, publicly funded skills programmes and flexible working arrangements agreed by all parties). Other examples of tripartite and bipartite processes to address common challenges due to the pandemic include negotiations between employers and workers to find compromises (e.g. reducing working hours and wages) to avoid retrenching workers (e.g., under the Employment Retention Program in Malaysia) (ADB, 2021).

A remarkable example of a collaborative approach to promote the resilience of enterprises and workers is embodied in the process of formulating and implementing the Philippines' National Employment Recovery Strategy (NERS), which serves as the Philippine's national strategy for addressing social and economic issues resulting from the COVID-19 pandemic. The NERS Task Force, in charge of implementation is composed of 20 government agencies led by DTI, DOLE and TESDA, and meets with employer and worker groups and representatives and other civil society organisations (CSOs) to address labour market challenges collaboratively.<sup>40</sup> Such a whole-of-society approach helps ensure that all voices

<sup>39</sup> https://www.mom.gov.sg/~/media/mom/documents/press-releases/2018/0222-tripartite-workgroup-report-on-self-employed-persons.pdf
 <sup>40</sup> https://ble.dole.gov.ph/ners/#:~:text=The%20National%20Employment%20Recovery%20Strategy,adversely%20affected%20by%20
 <u>the%20pandemic</u>

<sup>&</sup>lt;sup>37</sup> https://www.ilo.org/global/topics/wages/minimum-wages/definition/WCMS\_439072/lang--en/index.htm#:~:text=The%20purpose%20 of%20minimum%20wages,in%20need%20of%20such%20protection.

<sup>&</sup>lt;sup>38</sup> https://www.ilo.org/dyn/natlex/docs/MONOGRAPH/110793/137916/F541182463/KHM110793%20ENG.pdf

are heard and no one is left behind, including among groups with limited access to social dialogue such as informal workers and platform workers. Other means of promoting collective voice and participation in policy making processes to groups, such as informal workers and platform workers, who lack representation and have limited access to social dialogue should also be explored. For instance, partnerships and collaboration between groups of workers and labour unions, community organisations or other stakeholders can help, and complement regulatory reforms and efforts to promote formalisation, unionisation and expand the access to and effectiveness of social dialogue processes.

#### Strengthening the capacity of partners for effective participation in social dialogue

It is important to reiterate that benefits from effective social dialogue and harmonious industrial relations extend beyond managing labour and employment-related challenges, and impact productive processes and returns to investments. Workers' commitment plays a major role in contributing to business success. Governments and employers must take a lead in building fair workplaces and adopt policies that promote communication, cooperation, and trust between the stakeholders – managements and workers and their representatives. Stable industrial relations improve efficiencies, bring down costs of production and increase value added (wealth created by businesses). This benefits not only investors (return on investment) and workers (better wages and working conditions) but also the governments (through improved business taxes and consumption related taxes which increase when wages improve).

While the role of social partners in effective labour governance is widely recognised within ASEAN, there is a need to strengthen their capacity to effectively engage in policy and governance processes at both the national and regional levels. For instance, in Lao PDR, the Lao National Chamber of Commerce and Industry (LNCCI) identified social dialogue as key to address the systemic issues dampening the business environment and holding back sustainable and inclusive economic development. Recognising that social dialogue can only be effective if the partners have adequate capacity, the LNCCI's Strategic Action Plan for Private Sector Development in the Lao PDR 2021-2025 included targets and indicators for the provision of training and capacity building to Provincial Chambers of Commerce and Industry (PCCI) and selected business associations and enterprises (LNCCI, 2020). At the regional level, there is a need for greater joint contribution, by the ASEAN Confederation of Employers (ACE) and the ASEAN Trade Union Council (ATUC), to the policy dialogue and to concrete policy actions around key issues. An example of good practice addressing this constraint is the conduct of the Joint Dialogue on labour migration between the ACE and the ATUC, with support from the ILO's TRIANGLE in ASEAN programme.<sup>41</sup>

#### Box 4 Guidelines for operational area 4: Social dialogue and industrial relations

While social dialogue processes are generally well-established in ASEAN, each country can implement measures to further strengthen these processes, contributing to more harmonised industrial relations, improved productive processes and greater benefits that are widely shared across governments, enterprises, workers and the entire population. Improved social dialogue and industrial relations further support the implementation of guidelines and recommendations related to all other operational areas of the Declaration. The Guidelines presented here draw on instruments and examples discussed above, grouped under four areas as follows:

<sup>41</sup> https://www.ilo.org/global/docs/WCMS\_867848/lang--en/index.htm

- 1) Ensure the necessary conditions for effective social dialogue and productive industrial relations are in place
  - Ensure respect for the principles of Freedom of Association (FoA) in law, policy and governance to promote representation, voice, and participation of social partners; promote FoA as part of strategies to improve decent work outcomes.
  - Promote strong and representative workers' and employers' organisations with technical and organisational capacities to participate in policy dialogue, formulation, and implementation.
  - Strengthen legal and institutional frameworks such as legislation that supports FoA and collective bargaining rights, social dialogue bodies with clear mandates, resources and technical support, and dispute prevention and settlement mechanisms.
  - Promote 'social partnership' and the equal status and rights of social partners in the dialogue process. This requires strong political will as it involves sharing of decision-making power.

## 2) Strengthening social dialogue and industrial relations for skills development, wages and productivity

- Develop and strengthen tripartite and bipartite mechanisms for informed policymaking that helps to improve skills provision (e.g. through tripartite national training boards, Sector Skills Councils, others).
- Improve industrial relations through clear, transparent, and fair policies around difficult issues like minimum wage policies and linking wages to productivity, through tripartite and bipartite consultations.
- Promote collective bargaining as an industrial relations tool, and strengthen the right to organise and procedures that encourage cooperation rather than mainly compliance with regards to labour laws.
- Improve communication around key policies at the national, sectoral and enterprise levels throughout the policy development, implementation, monitoring and evaluation processes (e.g. through workshops, information brochures, etc.)

#### 3) Using social dialogue to confront crises, disruptive trends, and challenges, and ensuring that the collective voice of groups that lack representation is heard in policymaking processes

- Ensure social dialogue and/or whole-of-society approaches underlie the formulation of plans, policies, and strategies to respond to economic crises, natural disasters, and public health and other emergencies; promote procedures that assist the parties to find collaborative solutions.
- Share and showcase good practice examples of using social dialogue to negotiate mutually beneficial outcomes in crisis situation (as was done in a number of countries including in AMS during the recent COVID-19 pandemic.
- Develop and institutionalise mechanisms to anticipate and address emerging trends and labour market challenges, to find mutually beneficial solutions (e.g. tripartite working groups on thematic issues of importance for the country).
- Support the inclusion of groups that lack/have limited representation (including informal workers and platform workers), as well as disadvantaged groups (including those facing multiple challenges due to intersecting characteristics) in policy-making processes through the promotion of partnerships or collaborations with unions, CSOs and other stakeholders) and through consultations as part of a whole-of-society approach.

- 4) Enhancing the effectiveness of social dialogue and industrial relations through capacity building of social partners
  - Ensure social partners (employer and worker organisations and representatives) can effectively engage in social dialogue through capacity building at various levels of governance and at the enterprise level.
  - Develop guidelines and resources to enhance knowledge and understanding of existing tripartite processes among the actors involved at all levels.

Source: Author's analysis/ synthesis based on international and regional resources and good practice examples.

#### **II.5 Social protection**

• **Operational area 5.** "Initiate appropriate and sustainable social protection measures, including social assistance and social security, for all workers, as well as migrant workers, to ensure their rights, benefits and welfare are protected, especially in times of emergencies and disasters, in accordance with the laws, regulations and policies of respective ASEAN Member States."

#### Relevance of operational area

Social protection or social security is an essential contributor to workforce resilience, allowing workers and their families to withstand hardships and challenges arising at different points in time, and due to multiple factors (including disasters, emergencies, and life circumstances for example increased care responsibilities). Social security also supports workers' agility, enabling them to adapt to changes, and by doing so, it helps maintain a stable workforce and contributes to the productivity and competitiveness of workers and enterprises. As change drivers like technological change, intensified globalisation, and transitions to environmentally sustainable economies, can have distributional effects, social protection can help mitigate negative impacts and share benefits more widely across the population, contributing to reduced inequalities and more peaceful and inclusive societies. For this reason, social protection is intricately linked to the concept of a Just Transition.

The COVID-19 pandemic has underlined the fundamental importance of social protection as a social, economic, and political stabiliser. It has also provided important lessons and inspired valuable innovations for social protection planners, in terms not only of programme design but also delivery systems. Indeed, social protection was a key component of policy response to the pandemic, and its extension to previously unreached groups (migrant workers, informal economy workers) was a significant achievement of many countries in the region. However, many challenges remain, including those posed by a rapid expansion of platform work in many AMS, as further described below.

#### Regional and international frameworks and resources

**International labour standards on social security** include the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102); Social Protection Floors Recommendation, 2012 (No. 202); Equality of Treatment (Social Security) Convention, 1962 (No. 118); and the Maintenance of Social Security Rights Convention, 1982 (No. 157) and other instruments which expand the scope of protection provided by the Minimum Standards Convention (C102), specifically on medical care benefits and sickness benefits (C103), unemployment benefits (C168), employment injury benefits (C121), maternity benefits (C183), invalidity

benefits, old-age benefits and survivors' benefits (C128). Both Convention No. 102 and most of the Conventions adopted subsequently are drawn up to leave great flexibility to Member States in the method of organising the schemes providing benefits. However, these instruments set forth basic principles concerning the organisation and administration of social security institutions, which should be complied with irrespective of the type of scheme established. They also provide guidance on the design, financing, implementation, governance, and evaluation of social protection systems.<sup>42</sup>

Ratification of ILO Social Security Conventions remains limited among AMS, particularly in comparison with conventions relating to Social Dialogue and Industrial Relations for instance (see Annex 1). International labour standards are nevertheless used either implicitly or explicitly as guidelines in various areas related to social protection. For instance, the content of international instruments is reflected in the principles of the ASEAN Declaration on Strengthening Social Protection (2013), namely through the recognition of social protection as a basic human right, to which everyone is entitled to equitable access and consistently with a rights-based, needs-based, gender-responsive, life-cycle approach and covering essential services as needed.<sup>43</sup> The latter Declaration supports the gradual and progressive extension of social protection, inclusive and participatory multi-stakeholder and multi-sector approaches to the planning, programming, budgeting, monitoring and evaluation process at all levels, and provides strategies towards improving quality, coverage, and sustainability of social protection. These strategies are further detailed in the **Regional** Framework and Action Plan to Implement the ASEAN Declaration on Strengthening Social Protection, which assigns to each key result area and strategic action an ASEAN sectoral body and potential partner, coordination mechanisms, type of resources needed, and performance indicators.

Following the adoption of the **ASEAN Declaration on Strengthening Social Protection** in 2013, the importance of extending social protection to previously not covered groups has been high on the political agenda of the region and reiterated in the **Vientiane Declaration on Transition from Informal Employment to Formal Employment towards Decent Work Promotion in ASEAN** (2016)<sup>44</sup>, and the **ASEAN Labour Ministers' Statement on the Future of Work** (2019)<sup>45</sup> among other instruments. Recent frameworks and tools have been developed to address challenges in extending social protection to specific groups including informal workers, older persons, migrant workers, and also with respect to workers in new forms of employment, including platform workers.

As informal employment remains a major challenge in many ASEAN Member States, the **Regional Study on Extension of Social Security to Workers in Informal Economy in the ASEAN Region** (ILO, 2019) has identified methods and approaches to effectively extend social protection to these workers. These include a range of strategies for the expansion and adaptation of existing systems, for the creation of different separate schemes, and for strengthening governance, awareness, and access to information regarding social protection among workers and employers. The study recommends developing and implementing extension strategies as part of a comprehensive, holistic framework towards formalisation. The report **OId-Age Income Security in ASEAN Member States – Policy Trends, Challenges and Opportunities** (ASEAN Secretariat and ILO, 2020) also provides important insights and recommendations, including on options for extending contributory

<sup>&</sup>lt;sup>42</sup> https://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/social-security/lang--en/index.

htm#:~:text=This%20Convention%20sets%20out%20minimum,%2C%20invalidity%20and%20survivors'%20benefits.

<sup>&</sup>lt;sup>43</sup> https://www.asean.org/wp-content/uploads/images/archive/23rdASEANSummit/5.%20asean%20declaration%20on%20social%20 protection\_final.pdf

<sup>&</sup>lt;sup>44</sup> https://asean.org/wp-content/uploads/2016/09/Vientiane-Declaration-on-Employment.pdf

mechanisms to informal workers (e.g. strategies and possibilities for extending coverage through formalisation should take into account the type of prevailing informality, i.e. whether it involves informal employment in formal sector enterprises, or if there is a prevalence of informal production units).

The rapid growth of the gig and platform economy at the global level, including within ASEAN, has led to much policy attention given to the important employment and income generating opportunities it represents, but also because of labour and social protection gaps associated with it. By and large, even at the global level there is still a lack of clear legal frameworks governing work on digital platforms, and even in countries that have implemented legislative measures, many platform workers still fall within a "grey zone" between employment and self-employment (ISSA, 2023). It is clear, however, that regardless of their employment relationship, platform workers should have access to labour protection mechanisms (e.g. related to adequate pay, working time, occupational safety and health and employment protection) and to social security. A growing number of countries are developing policies, legal frameworks, and innovative mechanisms to promote the formalisation of platform workers and their access to social protection, including some AMS as showcased below. At the regional level, the Guidelines on Providing Social Protection to Digital Platform Workers (APEC 2021) constitutes a valuable reference in that regard. Valuable insights on social protection in this context can also be found in the ASEAN Employment Outlook 2023.46

The Importance of intra-regional migration within ASEAN prompted the development of key studies including **Social Protection for Migrant Workers in ASEAN: Development, Challenges and Prospects** (Olivier, 2017), and the **Study Report on the Portability of Social Security Rights between ASEAN Member States** (ASEAN Secretariat, 2021b), henceforth referred to as 'Portability of Social Security Report' (further discussed below). It was also reflected in the adoption of the **ASEAN Declaration on Portability of Social Security Benefits for Migrant Workers in ASEAN** (2022).<sup>47</sup> The development of the ASEAN Guidelines to operationalise the latter Declaration is currently underway, and is expected to be completed in 2023.<sup>48</sup> Additionally, the **ASEAN Framework on Health Coverage for Documented Migrants including Migrant Workers and Special Populations** has been endorsed by ASEAN Senior Official'' Meeting on Health Development (SOMHD); and at the time of writing of this Guidance Document, is awaiting endorsement by ASEAN Health Ministers.

In addition to the above-mentioned international and regional instruments, helpful resources at the include the **International Social Security Association (ISSA) guidelines** on various relevant topics (e.g. social security systems governance; quality of services; contribution collection and compliance; administrative solutions for extending coverage; and more). The ISSA also has a good practices database, showcasing effective and innovative ways to overcome challenges relating to social security administration including at the national and institutional levels, which is available to its members.<sup>49</sup> The ASEAN Social Security Association (ASSA) is also a valuable resource, with its annual recognition awards offered to member organisations with good practices in many areas (e.g. categories in 2021 were

<sup>&</sup>lt;sup>45</sup> https://asean.org/wp-content/uploads/2012/05/ASEAN\_Labour\_Ministers%E2%80%99\_Statement\_on-\_the\_future\_of\_work\_Embracing\_ Technology\_for\_Inclusive\_and\_Sustainable\_Growth.pdf

<sup>&</sup>lt;sup>46</sup> ASEAN Employment Outlook: The Quest for Decent Work in Platform Economy: Issues, Opportunities and Ways Forward <u>https://asean.org/wp-content/uploads/2023/07/ASEAN\_employment\_outlook\_WEB\_FIN.pdf</u>

<sup>&</sup>lt;sup>47</sup> https://asean.org/wp-content/uploads/2022/11/30-ASEAN-Declaration-on-Portability-of-Social-Security-Benefits-for-Migrant-Workers-in-ASEAN.pdf

<sup>&</sup>lt;sup>48</sup> https://theaseanmagazine.asean.org/article/portability-of-social-security-benefits-for-migrant-workers-in-asean/

<sup>49</sup> https://ww1.issa.int/databases/gp

continuous improvement, customer service, use of information technology, innovation, insurance coverage, strategic communication and transformation).<sup>50</sup>

#### Strengthening social protection in ASEAN

Social protection in the ASEAN region is defined as "policies and programmes designed to reduce poverty, inequalities, and vulnerability of the poor and other populations at risk".<sup>51</sup> It "covers, but is not limited to, social welfare and development, social safety-nets, social insurance, social assistance, social services, in ASEAN Member States".<sup>52</sup> In general, social protection helps protect against poverty and mitigate the impacts of a drop in income due to various factors related to life-cycle stages and changes in economic situation or economic shocks. It also includes targeted measures that help address challenges to vulnerable groups. For instance, persons with disabilities can face important barriers to securing decent work, including discrimination, but also in terms of additional costs (e.g., for transportation, interpretation, or other).

Social protection systems differ across AMS: they are relatively developed in Indonesia, Malaysia, the Philippines and Viet Nam – all of which have large-scale national programs that are funded by the government budget, and generally robust systems for delivery including identification and selection of beneficiaries and program monitoring of programmes through digitised systems – and less so in Cambodia, Lao PDR, Myanmar, where programmes are relatively small-scale, not national in coverage, and rely to an important extent on donor fundings (ASEAN Secretariat, 2020c). In Brunei Darussalam and Singapore, the higher income countries of the region, there are well-established social insurance programmes, with targeted social assistance programmes for lower-income households and robust delivery systems for a rapid response if needed. With regards to health protection, some AMS like the Philippines, Thailand and Viet Nam are among the countries that demonstrate extending protection to all is achievable, even in a low-income setting and/or high levels of informal employment, if there is strong and sustained political and financial commitment and if a rights-based approach is followed (ILO, 2021b).

Nevertheless, important gaps remain in social security systems across the region. Indeed, whereas all AMS have some kind of social insurance (providing insured workers with a combination of benefits including unemployment, maternity/paternity, sickness, and work injury, disability, survivor, old-age pensions and other benefits), in practice high levels of informality means that coverage is limited. Thus, when the pandemic hit, many informal workers and self-employed workers, among others, had no coverage as they were excluded from social insurance schemes but often not poor enough to qualify for social assistance schemes.

While the recent pandemic and the resulting crisis have further exposed the costs of having large shares of the population uncovered, particularly those working in the informal economy, it is important to emphasise that social protection in the region needs to respond to other major trends including population ageing, migration, urbanisation, technological progress, disasters and climate change, and new forms of work and working arrangements. Importantly, there is a need for improved access to social protection, particularly for vulnerable and marginalised groups. For instance, among groups that face barriers to access social protection are indigenous persons, who often lack access to identity cards and who may not speak the majority language (making it harder to register).

<sup>&</sup>lt;sup>50</sup> <u>https://www.asean-ssa.org/publications/assa-recognition-award/2021/</u>

<sup>&</sup>lt;sup>51</sup> https://www.bic.moe.go.th/images/stories/pdf/The\_ASEAN\_Issue\_03\_July\_2020\_compressed.pdf

<sup>&</sup>lt;sup>52</sup> https://www.asean.org/wp-content/uploads/images/archive/23rdASEANSummit/5.%20asean%20declaration%20on%20social%20 protection\_final.pdf

ASEAN Declaration on Promoting Competitiveness, Resilience and Agility of Workers for the Future of Work and its Guidance Document

Strengthening social protection systems in ASEAN therefore requires expanding availability and equitable access, tackling gaps in coverage and adequacy of benefits, and ensuring sustainability through institutionalising and improving delivery and funding mechanisms.

## Extending social protection to previously not covered groups; lessons from the pandemic and recent trends

There are many examples of policies implemented in ASEAN Member States to extend social protection to previously not covered groups, including many initiatives implemented during the COVID-19 pandemic. For instance, Thailand's No One Left Behind (Rao Mai Ting Gun) program provided a monthly transfer to a large number of self-employed and informal workers. Thailand also implemented measures targeting farmers, low-income earners, beneficiaries of allowances for older persons, people with disabilities and children. Thailand's experience provides important insights both in terms of success factors and challenges. Specifically, Thailand was able to reach large segments of the population previously invisible to the social security system by leveraging its strong foundational systems (in terms of National ID system, population registry, internet penetration and digital information systems).<sup>53</sup> However, challenges faced by implementing the Rao Mai Ting Gun included the number of applications received exceeding by far the government's coverage target (due to the on-demand approach of program); limited or not sufficiently transparent communication about the eligibility process; web-only registration in a context of digital divides (where civil society organisations played an important role in tackling this barrier) and limitations in terms of interoperability across systems.54

The Philippines recently institutionalised the Social Protection Floor (SPF) which refers to the nationally defined set of basic social security guarantees that aims to prevent or alleviate poverty vulnerability and social exclusion. The SPF has four basic guarantees that cover a person's entire lifecycle, namely: health, including maternity care, children's welfare, active age interventions, and older persons protection and wellbeing. This will support Filipinos who are unable to earn sufficient income, including those who are part of the informal economy. While the country's flagship Pantawid Pamilyang Pilipino Program (4Ps) for conditional cash transfers played a key role in offsetting the impact of the pandemic, the need to urgently expand the program faced some obstacles due to weaker digital delivery infrastructure. To address this, the Department of Social Welfare and Development (DSWD) with World Bank support, initiated a project to expedite the digital transformation of social protection in the Philippines through 1) leveraging the Philippine's digital foundational ID system. PhilSys to facilitate the government's uniquely identifying and verifying beneficiaries, and to facilitate various process for beneficiaries such as applying for subsidies and opening bank accounts; 2) improving digital government-topersons (G2P) payments and accelerate financial inclusion, including through improving financial literacy; 3) develop a robust data management framework and unified beneficiary base, building on PhilSys and an up-to-date National Household Targeting System.<sup>55</sup>

Malaysia also implemented several initiatives to extend protection to self-employed workers, including platform workers, across the various government stimulus packages.<sup>56</sup>

<sup>&</sup>lt;sup>53</sup> https://www.socialprotection-toolbox.org/practice/facilitating-covid-responses-rao-mai-ting-gun-no-one-left-behind-scheme

<sup>&</sup>lt;sup>54</sup> https://www.socialprotection-toolbox.org/practice/facilitating-covid-responses-rao-mai-ting-gun-no-one-left-behind-scheme

<sup>&</sup>lt;sup>55</sup> https://blogs.worldbank.org/eastasiapacific/realizing-transformational-trilogy-social-protection-delivery-philippines

<sup>&</sup>lt;sup>56</sup> Under the PenjanaGig under the Economic Recovery Plan, the government covered 70% of the contribution for self-employed workers under platforms registered with the Malaysian Digital Economy Corporation (MDEC); the the Self-Employed Social Security Scheme (SESSS) - SPS Lindung, whereby 100% of delivery riders' contributions are covered under the annual government budget; SPS Prihatin Wanita, whereby 70% of social security contributions of female self-employed workers are covered and Kerjaya Gig which provides a RM600 incentive for six-months to new self-employed workers joining the gig industry (APEC, 2021).

Challenges remain due to legal coverage gaps (e.g. in the Employment Act and unemployment protection), and lack of awareness by self-employed of existing schemes. To tackle some of the challenges the Social Security Organization (SOCSO) has adopted a multi-pronged approach involving system reform, facilitating formalisation and stakeholder partnerships. Similarly, in Indonesia, BPJS Ketenagakerjaan provides information and raises awareness about formalisation through its YouTube channel, and coordinates with the financial sector to extend the coverage of work injury and death benefits to platform drivers (ISSA, 2023). Both SOCSO in Malaysia and BPJS in Indonesia collaborated with platforms to increase enrolment of workers (partner riders).<sup>57</sup> In general, contributions are shouldered by the government and by workers themselves, but in at least one case (Foodpanda in Malaysia), the platforms subsidised part of the contribution (ibid.)

Findings presented in the ASEAN Employment Outlook 2023 indicate that platform workers' uptake of voluntary social protection schemes for self-employed workers are limited due to several reasons including inadequate earnings, the lack of steady income flows, and relatively lower benefits in the voluntary schemes in comparison to mandatory plans for formal workers.<sup>58</sup> Although not yet legislated there are several bills in the Philippines aiming to protect gig workers by providing them with mandatory social protection coverage (e.g., Senate Bill 1373, or the Protektadong Online Workers, Entrepreneurs, Riders, at Raketera Act, and Senate Bill 136 or the Freelancers Protection Act).

There is also evidence that while platform work offers opportunities for increasing women's labour force participation, gender gaps remain due to human capital factors (education and experience) but also due to women bearing a disproportionate share of domestic responsibilities, resulting in less hours worked and lower incomes.<sup>59</sup> Therefore, to ensure platforms enable mitigating rather than further entrenching inequalities, it is critical to address women's unpaid care burdens and support workers with family responsibilities by investing in care policies and services that provide decent work.

#### Extending social protection to migrant workers within ASEAN

Given the generally weak social security protection available to migrant workers in ASEAN, it is necessary to appreciate and introduce the complementarity of unilateral, bilateral, and multilateral interventions to increase meaningful coverage. Options for the portability of social security benefits between AMS, as defined in the 'Portability of Social Security Report', include: 1. Social Security Agreement (SSA) - an international agreement between two or more countries to coordinate social security programs and overcome, on a reciprocal basis, obstacles to portability; 2. Unilateral exportability of benefits (with methods and processes defined by the relevant country) or Exportability Agreement (EA) between countries for cooperation on the export of benefits, which also constitutes a legal obligation to follow an agreed upon process; and 3. Memorandum of Cooperation (MoC) between the social security agencies of countries, which is a non-binding international document, defining the scope of international cooperation on sharing information or providing benefits to nationals working in another country for instance. As of 2021, only the Philippines had SSAs with other countries, although not with other AMS. This approach may not be simple to implement as not all AMS have the type of social security systems/ packages (e.g. not all countries have social insurance for the same type of benefits, but instead provident funds or employer-liability, which complicates coordination between different systems). There are also a few examples of the MoC approach in ASEAN, such as the MoC between Social

<sup>&</sup>lt;sup>57</sup> https://asean.org/wp-content/uploads/2023/07/ASEAN\_employment\_outlook\_WEB\_FIN.pdf

<sup>&</sup>lt;sup>58</sup> https://asean.org/wp-content/uploads/2023/07/ASEAN\_employment\_outlook\_WEB\_FIN.pdf

<sup>&</sup>lt;sup>59</sup> https://asean.org/wp-content/uploads/2023/07/ASEAN\_employment\_outlook\_WEB\_FIN.pdf

Security Organisation (SOCSO) of Malaysia and BPJS Ketenagakerjaan (Social Security -Employment) of Indonesia, and the MoC, between Malaysia's SOCSO and the Social Security Board (SSB) of Myanmar.<sup>60</sup> The 'Portability of Social Security Report' provides specific recommendations for AMS with practicability of connecting their social security schemes at present to consider the implementation of any of the three approaches as suitable to country circumstances, as well as recommendations for legislative amendments to social security systems and capacity building to relevant actors, and finally recommendations to all AMS on using international standards as guidelines in providing social protection to migrant workers, and on the sharing of knowledge and good practices. Although not yet fully ratified by ASEAN Member States, international labour standards related to social protection and labour migration can serve as guidance to further strengthen the social security systems of ASEAN Member States and their coverage of migrant workers.

#### Social protection systems governance, financing, and sustainability

While efforts to extend social protection coverage during the pandemic have been remarkable, the need to move beyond 'stop-gap' measures and ensure the long-run effectiveness, inclusiveness, and sustainability of social protection systems has been widely acknowledged. This has brought attention to issues of governance and coordination, funding (financing) and sustainability.

In Malaysia, the Implementation Coordination Unit under the Prime Minister's Department is implementing with UNDP support a project aimed at achieving more inclusive social protection policy, with better coordination and improved efficiency of delivery, in line with the Twelfth Malaysia Plan (12MP) Strategy A6 on strengthening social protection for all.<sup>61</sup> Specifically, the project aims to review the potential integration of databases and improve inter-operability of systems across agencies and strengthen institutional capacity for delivery. The project is expected to contribute to Malaysia's first National Social Protection Policy, which also takes into account current strategies and the coordination role of the Malaysia Social Protection Council (MySPC).

An important contributor to strong social protection systems is adequate financing. Of course, fiscal space<sup>62</sup> differs across countries, and additionally, has been further narrowed by pandemic spending (ADB, 2021). Nevertheless, there are various options for expanding fiscal space for social protection expenditure, including the extension of contributory benefits, which goes hand in hand with formalisation efforts, increasing tax revenues and reallocating government budget towards social protection.<sup>63</sup> An often-cited good practice example is the process of achieving Thailand's universal health insurance coverage, financed by both contributory schemes, but with the largest component, the Universal Health-Care Scheme (UCS), tax-financed. There are key lessons learned from the latter example, for instance on the role of civil society, of political commitment, and how the application of the universality principle and an emphasis on equity can have pro-poor

<sup>&</sup>lt;sup>60</sup> The MoC between the Social Security Organisation (SOCSO) of Malaysia and BPJS Ketenagakerjaan or BPJS employment of Indonesia was signed on 4 March 2019, and the MoC, Social Security Organisation (SOCSO) of Malaysia and Social Security Board (SSB) of Myanmar was signed on 13 October 2020.

<sup>&</sup>lt;sup>61</sup> https://www.undp.org/malaysia/blog/inclusive-social-protection-all-malaysias-social-protection-project-launched

<sup>&</sup>lt;sup>62</sup> Fiscal space can be understood as the resources available as a result of the active exploration and utilization of all possible revenue sources by a government. As a multidimensional concept, fiscal space exists if a government can raise spending or lower taxes without endangering market access and putting debt sustainability at risk.

<sup>&</sup>lt;sup>63</sup> The ILO identifies eight options to extend fiscal space for social protection, demonstrating that there is national capacity to finance socioeconomic development worldwide, even in the poorest countries. These are as follows: 1. Expanding social security coverage and contributory revenues; 2. Increasing tax revenues; 3. Eliminating illicit financing flows; 4. Re-prioritizing public expenditure; 5. Tapping into fiscal and foreign exchange reserves; 6. Managing debt: borrowing or restructuring debt; 7. Adopting a more accommodating macroeconomic framework; 8. Increasing aid and transfers. These options are recognized in the Addis Ababa Action Agenda for sustainable development goals which includes targets for universal social protection. These options have been also supported by other development partners and international financial institutions, as reflected in their policy statements.

impacts, and how implementing this first guarantee of the social protection floor had spillover effects in terms of strengthening the healthcare infrastructure but also generating a positive macroeconomic impact (ILO, 2016). Additionally, the UCS showed that universal schemes can include cost containment mechanisms to ensure affordability and long-term financial sustainability, and that "[e]mbedding the scheme in national law has made the human right to health care an enforceable legal right and contributed to ensuring regular budgetary allocations and institutionalisation of the implementation structures, thus helping to make the scheme more sustainable" (ibid.)

Finally, another aspect of ensuring effectiveness and sustainability is with respect to monitoring and evaluation of policies. A good practice example is the institutionalisation of the Philippines' Pantawid Pamilyang Pilipino Program (4Ps) through Republic Act 11310, as a regular program under the Department of Social Welfare and Development (DSWD) funded from its annual budget, and the identification of the Philippine Institute for Development Studies to conduct regular (every three years) assessments on the program's implementation and impact.<sup>64</sup>

#### Box 5 Guidelines for operational area 5: Social protection

ASEAN Member States have made significant progress following the adoption of the 'ASEAN Declaration on Strengthening Social Protection (2013)', but significant gaps remain, some of which were further exposed – and partially addressed – during the COVID-19 pandemic. Taking stock of progress made, lessons learned and remaining challenges, the Guidelines presented here provide entryways for further strengthening social protection systems in the region:

## 1) Extending social protection coverage to all, through a gradual and progressive approach

- Implement gender-responsive and inclusive strategies to extend social protection as part of a comprehensive approach towards formalisation, taking into account country specific factors including the prevailing types of informality, and specific population groups with varied needs and access barriers (e.g. due to language, disability status, digital literacy or other).
- Strengthen foundational systems (national ID, population registry, internet penetration and digital information systems) to enable rapidly scaling up programmes as needed, and with a view to enhance systems interoperability.
- Improve communication/transparency and raise awareness about existing programs and the corresponding eligibility criteria, registration process and accessibility

#### 2) Enhance the portability of social security

- Explore the implementation of any of the three approaches (SSA, EA, MoC) to the portability of benefits in a complementary manner and as suitable to country circumstances
- Explore the feasibility of developing a comprehensive network of intra-ASEAN social security agreements, ideally in the form of a multilateral agreement. This may take time, however. It may well be that an incremental approach needs to be adopted in terms of the development and scope, as well as the implementation, of a multilateral agreement.

<sup>&</sup>lt;sup>64</sup> https://pantawid.dswd.gov.ph/wp-content/uploads/2020/02/RA-11310.pdf

ASEAN Declaration on Promoting Competitiveness, Resilience and Agility of Workers for the Future of Work and its Guidance Document

|    | •            | Encourage the adoption of overarching regulatory mechanisms, which implies:<br>a) the adoption and implementation of international and regional instruments<br>and standards on social security and labour migration; b) an appropriate legal<br>framework that mandates and regulates unilateral measures, and the adoption<br>and domestic application of bilateral and multilateral arrangements; and c) the<br>introduction of suitable institutional mechanisms to facilitate implementation,<br>monitoring, and evaluation.<br>Make required legislative amendments and build the capacity of actors as<br>necessary  |
|----|--------------|---|
| 3) | St<br>•      | <b>rengthen administration and service delivery</b><br>Enhance digitisation, digital delivery infrastructure<br>Strengthen the capacity of social security institutions and their staff<br>Improve accessibility of services, including through partnerships with local<br>and community level organisations  |
| 4) | St<br>•<br>• | rengthen governance and funding for sustainability<br>Establish a coordination mechanism for social protection programs, or<br>strengthen the coordination capacities of the main organisation in charge<br>Consider different funding options, including combining contribution payments<br>with government budget; institutionalise policies in national law to guarantee<br>funding under departmental budgets<br>Explore approaches to expand fiscal space in accordance with the country<br>context and as needed for adequate social protection funding<br>Institutionalise mechanisms for monitoring and evaluation. |
|    |              | Institutionalise mechanisms for monitoring and evaluation.  |

Source: Author's analysis/ synthesis based on international and regional resources and good practice examples.

# II.6 Public employment services and adaptive labour market policies

- **Operational area 6.** "Revitalise the significant role of public employment services to ensure inclusive access of the workforce, including but not limited to women, youth, and persons with disabilities, to the labour market through innovative approach and mechanism of services in the effort towards decent work, reduced unemployment, peace, and social cohesion."
- **Operational area 9.** "Encourage fostering adaptive labour market policies and programmes to respond to double disruption caused by the automation and COVID-19 pandemic with the engagement of private sector, civil society, and other relevant stakeholders to build effective solutions through, but not limited to, training partnership programme as well as business assistance and financial access for the society in dealing with the unprecedented situations."

#### **Relevance of operational areas**

Public employment services (PES), through their various functions, support worker competitiveness through skills development and other active labour market policies (ALMPs). They also support workforce agility and resilience (e.g. through career guidance, job-search assistance, job matching, provision of labour market information and intermediation, financial support/employment insurance, and other services). PES play a critical role for workforce inclusion through the provision of services to all, and programs and policies targeting vulnerable groups. Technological advances and innovative approaches enable PES to expand the reach and effectiveness of their services, while helping to modernise their services, from generating and analysing labour market information to segmenting and profiling jobseekers.

Adaptive labour market policies and programmes include ALMPs that are flexible and responsive to shocks and disruptions, thus can efficiently support the agility and resilience of workers and businesses through periods of crisis, recovery, and transitions. These policies encompass various measures such as employment subsidies to preserve jobs and incomes, and support employers adjust to a sudden change in labour demand (i.e. drop or increased demand for some occupations), skills development and vocational training, upskilling and reskilling, and incentives for training, and job-search assistance to help displaced workers transition to employment or across sectors and occupations. Additionally, public works and public employment creation programmes sometimes fall under ALMPs but can also be considered as part of social assistance systems. Indeed, in the context of low- and middle-income countries in particular, ALMPs and social protection policies often intersect and are used as complementary policy interventions (Niño-Zarazúa and Torm, 2022).

Combining ALMPs with passive labour market policies and social protection becomes crucial in cushioning the negative impacts of shocks, ensuring a seamless (re)-integration of workers into labour markets. For instance, recipients of unemployment benefits can be provided with additional services such as information on employment or skills development opportunities. The policy response to the COVID-19 pandemic in ASEAN Member States and other countries showcased the significance of this approach. The engagement of stakeholders (private businesses, civil society, and others) in the formulation of these policies enhances their effectiveness.

In the context of challenges associated with the future-of-work (e.g., rapid technological change and the shift towards green economies), ALMPs will play an increasingly important role in supporting the multiple labour market transitions that individuals may experience (i.e., from unemployment or being outside the labour market into employment) during the course of their lives. By infusing just transition principles, countries can create a sustainable and equitable future of work, empowering the labour force to adapt and thrive in the face of economic and societal transformations. Indeed, PES can play a crucial role in promoting the green job market, facilitating the alignment of job seekers' skills with emerging opportunities in sustainable sectors. This ensures that the workforce is adequately prepared for the challenges and opportunities presented by the green economy, fostering worker resilience in the face of environmental changes and market transitions. Moreover, PES can collaborate with financial institutions and green investment initiatives to develop specialised financial support schemes for workers transitioning to green jobs or green entrepreneurs looking to create sustainable businesses.

#### Regional and international frameworks and resources

International labour standards relevant to PES and adaptive labour market policies include the Employment Policy Convention, 1964, (No.122) and associated recommendations R122 and R169 (see Appendix, Tables 1 and 2). C122 calls on countries to pursue an active policy designed to promote full and productive employment, in consultation with social partners and taking into account country circumstances. The Employment Service Convention, 1948 (No. 88) defines the role and functions of public employment services as providers of job-matching and intermediation services (supporting both jobseekers and employers, facilitating entry and transition of workers in the labour market), collecting, and disseminating labour market information, planning and administering labour market policies and unemployment benefits, and participating in economic and social planning. The Convention states that public employment services should coordinate with other public and private actors in fulfilling their functions, and that they should remain free of cost for their clients, and open to anyone searching for work or looking to hire workers. Additionally, the Private Employment Agencies Convention, 1997 (No. 181) recognises the contribution of private employment agencies to the matching of labour demand and supply: establishes a comprehensive framework for the registration, licensing and effective regulation of these agencies, for the protection of workers (including migrant workers) from potential abuses, and the protection of legitimate private employment agencies from unfair competition.<sup>65</sup> Together, conventions C88 and C181 provide a framework for effective regulation of employment services. Other relevant instruments relate to the employment of disabled persons (C159), employment promotion and protection against unemployment (R176), transition from the informal to the formal economy (R204) among others. The use of ALMPs has expanded since the adoption of the ILO Decent Work Agenda (1999), and increasingly involves partnerships and engagement of various public and private actors (Niño-Zarazúa and Torm, 2022). In response to growing demand for their services, PES around the world are increasingly resorting to collaboration with other public bodies but also different types of partnerships with non-public labour market actors - including private employment services, training providers, NGOs and others (Hiebl and Hempel, 2019).

Technological change has provided PES with opportunities to expand and improve their services, and the pandemic has accelerated technological adoption. The ILO reports '**Global Report on Technology adoption in public employment services: catching up with the future'** (ILO, 2022b) and '**Technology in public employment services to promote youth employment in Asia and the Pacific'** (ILO, 2023b)<sup>66</sup> take stock of trends, and provide some helpful insights for revitalising PES, encouraging innovation, and using data and adaptive technologies to better target specific vulnerable segments of the population.

At the regional level, there are also helpful frameworks and resources for improving ALMPs and revitalising PES. The importance of providing protection and support for the livelihoods, health, and safeguard labour rights of all workers during and in the aftermath of the COVID-19 pandemic was emphasised in the 'Joint Statement of ASEAN Labour Ministers on Response to the Impact of Coronavirus Disease 2019 (COVID-19) on Labour and Employment'.<sup>67</sup> The Statement emphasised the need to "further

<sup>&</sup>lt;sup>65</sup> C181 applies to all private employment agencies, economic sectors and categories of workers except seafarers (source: <u>https://www.ilo.org/</u> wcmsp5/groups/public/---ed\_emp/---emp\_ent/documents/publication/wcms\_829999.pdf)

<sup>&</sup>lt;sup>66</sup> The report is based on a survey implemented in 2022 with 11 countries in the Asia-Pacific, including five AMS (Cambodia, Indonesia, the Philippines, Singapore and Viet Nam).

<sup>&</sup>lt;sup>67</sup> https://asean.org/wp-content/uploads/2012/05/ALM-Joint-Statement-on-Response-to-the-Impact-of-COVID-19-on-Labour-and-Employment-ADOPTED-14-May-2020-final.pdf

strengthen the effectiveness of active labour market policies at national and regional levels, occupational safety and health standards, and social protection systems through productive and harmonious social dialogue to retain employment, reduce the vulnerabilities of at-risk workers, and improve their resilience." The report 'ASEAN Rapid Assessment: The Impact of COVID-19 on Livelihoods across ASEAN' (ASEAN Secretariat, 2020c), provides important insights for the adaptability of ALMPs and social protection measures, based on the AMS experience during the pandemic.<sup>68</sup>

Other regional reports also provide important insights in relation to ALMPs and PES, including through technological adoption and the generation of better-quality labour market information. The include the ASEAN Declaration on Human Resources for the Changing World of Work and its Roadmap, the ASEAN Digital Masterplan 2025, the 'Regional Study Report of Enhancing the Competitiveness of Human Resources through Responsive TVET Curriculum Supported by Involvement of Industries and Labour Market Information' (KRIVET), and the 'Regional mapping of labour market information for skills and employment policies in ASEAN Member States' (forthcoming).

#### Technology adoption, use of labour market information, and innovation in PES

Public employment services across the world vary in terms of governance structures and institutional set-ups. In most AMS, they fall under the Department of Labour/Manpower. In the case of Malaysia, public employment services are administered by the Social Security Organization (SOCSO), and the system is highly technological – with relatively few physical offices – and leverages a strong labour market information infrastructure. The Philippines' national employment service network consists of Public Employment Service Office (PESO) – community-based and maintained largely by local government units (LGUs) and a non-governmental and/or community-based organisations, and state universities and colleges – linked to the regional offices and central office of the DOLE.<sup>69</sup> The PESOs contribute to a solid information system, the PESO Employment Information System (PEIS), the web portal of which is maintained by the Bureau of Local Employment (BLE) under the DOLE, and linked with the national online job portal, PhilJobNet. Workforce Singapore (WSG) has a comprehensive data strategy, a centralised data division (Data Strategy and Analytics Division) and overall strong organisation-wide data culture (ILO, 2023b).

Across the region, many countries have made changes, or have initiatives underway, to improve their public employment services, and most have embraced digital strategies<sup>70</sup>, albeit to different extents. Many AMS have upgraded their national employment services portals and enhanced their capacity to provide job-matching and job-search assistance. National job portals include the portal of Jobcentre Brunei (JCB) in Brunei Darussalam, the portal of National Employment Agency (NEA) in Cambodia, the Labour Market Centre (Pasker.ID) in Indonesia, MyFuture Jobs (Malaysia), PhilJobNet (Philippines), and MyCareersFuture (Singapore). In many cases, employment services are linked with career guidance/ counselling, and related services such as virtual career fairs (e.g. in Cambodia, Indonesia, Malaysia). There are many noteworthy features of these portals. For instance, in Brunei Darussalam, new job-seekers are encouraged to sign-up with their e-Darussalam accounts, and new companies can use their Registration of Companies and Business Names (ROCBN) which supports interoperability of systems. In Malaysia and Singapore in particular, there have been several initiatives leveraging and exploring big data as a source

<sup>&</sup>lt;sup>68</sup> For instance, that a key feature of adaptable social protection is the scalability of the system, its ability to provide greater benefits to existing beneficiaries and/or expand to cover additional beneficiaries as needed. This in turn, requires flexible financing and delivery mechanisms (see also Operational area 5).

<sup>69</sup> https://peis.philjobnet.ph/peso.aspx

of near real-time labour market information, for improved employment services and career guidance.

Key findings from ILO studies (ILO 2022b: ILO 2023b) offer important insights for AMS. While technology and digital tools offer great potential, PES must have certain conditions in place – in terms of core capacities and data infrastructure – to realise this potential. To be improve their use of digital technology, countries need to prioritise improving infrastructure for data storage and transmission, establishing transparent data processes adhering to privacy policies and sound cybersecurity frameworks, and ensuring the digital skill levels of staff are adequate to fulfill their changing tasks. Both studies emphasise the need for more frequent staff training across the service delivery chain, improving coordination and communication of teams (to eliminate overlaps and avoid working in silos), and finding the right balance between automation and personal interaction with clients. In fact, constraints to implementing digital strategies and transformation of PES that have been identified include low digital capacity and awareness of staff and organisations, organisational challenges (e.g.; work conducted in siloes within organisations and difficulties adapting to changes in processes); limited data infrastructure or capacity to process, use, and analyse data. Indeed, while digital infrastructure, labour market information and data, skills, and connectivity are important enablers of modernising public employment services, revitalising PES must go beyond technological adoption, to include "a renewed organisation culture from front to back offices - that places clients at the centre of service-delivery strategies" (ILO 2022b, p.xi).

#### Strategies for equal access to PES, and targeting of vulnerable groups

There are a number of examples from AMS of good practice in terms of approaches to target vulnerable population segments. For instance, the Philippines' PESOs administer several special programs, including for persons with disabilities (PWDs), displaced workers, and the Special Program for Employment of Students and Out-of-School Youths (SPESOS).<sup>71</sup> The PES in Viet Nam also have noteworthy programmes targeting youth, such as the startup promotion programme (ILO, 2023b). In Cambodia, the PES run recruitment events specifically for rural workers to tackle access barriers based on geography (ibid.)

In addition to special programs, however, there has long been a recognition that outreach to disadvantaged groups and individuals requires a gender-responsive, inclusive and integrated approach, which allows to tackle complex and interrelated barriers – beyond skills and employability – that result in poor employment outcomes or labour market detachment (ILO, 2018). For instance, women with significant family responsibilities may detach from the labour force and require gender-responsive and flexible programmes to enable them to reconnect (e.g., counselling, upskilling, and linking with other social services such as childcare provision). Therefore, good practice approaches at the international level include gender mainstreaming (including in data collection and analysis, policy and programme formulation, and monitoring of outcomes), and the use of profiling tools to map out employment barriers for disadvantaged groups and individuals, and development and implementation of strategies to address these through a comprehensive integrated approach, including follow-up. Integrated services provision is facilitated by partnerships and collaborations between PES and various public (e.g. departments of social welfare or social protection), private (e.g.; employers, TVET providers, private recruitment agencies

<sup>&</sup>lt;sup>70</sup> Digital strategies for PES vary in their focus, complexity and time needed for implementation, ranging from digitization (transforming material, forms, etc. into digital format) to digitalization (making services and processes digital) to more comprehensive digital transformation (where the organization is realigned – in terms of structure, redesigned processes, etc. – around digital technologies (ILO, 2023b).
<sup>71</sup> https://peis.philjobnet.ph/peso.aspx

and employment service providers) and community-level, which in turn are dependent on legislative frameworks and institutional capacity, the extent of decentralisation of delivery services and the levels of investment in PES and active labour market policies (ALMPs) (ILO, 2018).

Focusing on PES support for young people to navigate the labour market, an ILO study (Avila, 2021) identified common elements across successful interventions. These include using multi-channel approaches to improve accessibility and availability of services to young jobseekers; combining digital technologies for service delivery with counsellors' support and adapted to individual characteristics (level of readiness for the job market); using needs-assessment tools to improve the targeting and sequencing of interventions, and sequencing employment services while taking into account the economic cycle and local context (demand-side factors). Additionally, combining labour market services with active measures, and also offering added-value services to employers (e.g. in addition to job-vacancy registration and matching, providing solutions for employability enhancement and the effective use of skills) are found to yield higher placement rates. Importantly, there is a need to measure the cost-effectiveness of interventions to prevent misallocation of scarce resources, and to develop a transparent monitoring and evaluation system. In that regard, a good practice example from ASEAN is the use of Key Performance Indicators (KPIs) by Cambodia's PES (ILO, 2023b).

Regarding technology adoption for service delivery, mechanisms must be established for e-services to be provided in an ethical, equitable, safe, reliable, and sustainable way (Avila, 2021). Specifically, in a context where important digital divides remain, there is a need to safeguard equal access to PES for clients with low digital literacy and accessibility, or who may be in need of regular and intense support from a job counsellor (ILO, 2022b). During the pandemic, PES that balanced technological adoption with internal process improvements and new ways of working were able to adapt faster. Indeed, the fact that technology can help free staff from doing routine tasks, enabling them to spend more time focusing on specialised functions such as working with targeted beneficiaries and underserved groups, is considered to be among the top benefits of technological adoption (ILO, 2022b). In fact, among the various developments of more integrated PES service delivery to target vulnerable persons, increased contacts from counsellors, in connection with other services, is considered crucial. While this requires recruiting and training additional PES staff, increasing evidence suggests it is effective and less costly and time-consuming than other measures (European Commission, 2022).

#### Effective and adaptive labour market policies – insights from the literature

There are important insights to be drawn from research on the effectiveness of ALMPs, and of different ALMP categories and specific policies, including studies in the context of low- and middle-income countries and in the Asia and Pacific region (e.g. Niño-Zarazúa and Torm, 2022). The context matters significantly, because characteristics of national and regional labour markets (e.g. high informality, unemployment and underemployment) and also because the administrative and institutional capacity for ALMPs delivery can vary. Although the success of policies is contingent upon a number of factors (e.g. specific target population, timeframe for implementation and evaluation, other contextual factors), in general, joint implementation of different types of active and/or passive labour market policies, including social protection measures is critical for achieving results. Additionally, while expenditure on ALMPs and related policies can vary, depending on the country context, it is important that the mix/composition of policies reflect the country's specific labour market challenges. For instance, in a context where low-skilled workers represent a

large share of the population, additional spending on training schemes may be a priority area that should not be neglected. In fact, training schemes have been demonstrated to have significant positive effects on labour market outcomes (e.g. probability of employment and labour force participation, earnings) in many countries in the Asia Pacific region, including in some ASEAN Member States.<sup>72</sup> In times of crises however, both the combination and sequencing of policies makes a difference. For instance, when the pandemic hit, measures to support labour demand (e.g. wage subsidies) were critical in the short-run, to preserve jobs and livelihoods, before many countries turned to supply side measures (e.g. training programmes/ subsidies for displaced workers) that will help recover employment conditions in the longer-run (OECD, 2021b).

#### ASEAN Member States Policy responses to COVID-19

In response to the COVID-19 pandemic, all ten AMS deployed demand-side ALMPs to maintain employment levels, alongside social protection measures - primarily social assistance - to support incomes and maintain livelihoods (ASEAN Secretariat, 2020c). For instance, through its Employment Retention Program, the government of Malaysia provided wage subsidies to employees insured under the SOCSO, to help employees retain workers. This policy targeted lower pay workers, whose employers were registered with the relevant authorities, were affected by the pandemic and did retrench workers, impose unpaid leave or force wage cuts; instead employers were allowed to negotiate with workers to find mutually agreeable outcomes on wages and working hours (ADB, 2021). The policy reached 25% of the labour force with a subsidy equivalent to 38.6% of the average wage and was accompanied by a range of additional measures and targeted interventions (e.g. special allowances for frontline workers; one-off cash incentives to taxi drivers, tour guides and trishaw drivers and e-hailing drivers who were registered and employed; tax incentives to employers offering flexible work arrangements; and other measures).<sup>73</sup> The Philippines also implemented many complementary response policies, including the COVID-19 Adjustment Measures Program (CAMP), which provided cash aid to workers from establishments that implemented flexible working arrangements or had to suspend operations due to the pandemic; and the Small Business Wage subsidy (SBWS) program, along with targeted measures (e.g. support for frontline workers). In Viet Nam, the government also implemented a wage subsidy program for workers involved in the prevention and control of COVID-19 and a broader wage subsidy program for workers whose contract was suspended or took unpaid leave where their employers could no longer pay wages (ADB, 2021). Wage subsidy programs and/or income support for workers were also implemented in Brunei Darussalam. Cambodia (in the garment and tourism sectors). Indonesia and Thailand (with the Rao Mai Ting Kan program targeting informal workers, also described under operational area 5. Social Protection). Other examples of targeted policies in Thailand includes a wage subsidy to help support the retention of new graduates from universities and vocational training colleges with a subsidy equivalent to approximately 50% of their wages (ADB, 2021).

Another example of responsive policies is Indonesia's Pre-Employment Card Program, through which job-seekers, laid-off workers, workers with suspended employment

<sup>&</sup>lt;sup>72</sup> For instance, in Viet Nam, different studies have shown that on-the job-training is associated with higher productivity and wages for trained women as compared to both women and men (Bjerge et al, 2021), that vocationally-trained workers from ethnic minorities have higher wage opportunities (Do et al. 2020), and that TVET graduates In the Philippines have higher employment probabilities and receive higher wages than those who have completed secondaru education without training (Vandenberg and Laranjo, 2021).

<sup>&</sup>lt;sup>73</sup> From ADB 2021, based on data from the International Policy Centre for Inclusive Growth, Social Protection Responses to COVID-19 in the Global South Database lobal South Database. https://socialprotection.org/social-protection-responses-covid-19-global-south (accessed 28 May 2021).

contracts and others received cash for job training and other incentives. A notable feature was the inclusion of questions in the labour force survey (LFS) which enabled monitoring its implementation and drawing lessons from the onset. For instance, in the first five months of implementation, limited public awareness of the program resulted in it having fewer beneficiaries than expected, but the number of beneficiaries eventually increased towards the target, reaching 5.5 million beneficiaries by December 2020 (ADB, 2021). LFS data provided insights on the awareness of the program, registration, selection into the program, completion of the training, receipt of financial incentives and more.

#### Box 6 Guidelines for operational areas 6 and 9: Public Employment Services and Adaptive Labour Market Policies

In the face of rapid economic changes and shocks, adaptive labour market policies, incorporating a flexible combination of Active Labour Market Policies (ALMPs) and social protection measures, are essential to address challenges. Strong public employment services (PES) play a crucial role for the effective implementation of these policies. Important efforts are underway in many AMS to revitalise PES and improve their capacity to fulfil their important functions. Guidelines, based on insights from the literature and from existing initiatives are as follows:

- 1) Strengthen the legal framework and institutional capacity for PES and ALMPs
  - Review the legal framework around PES and private employment agencies consistently with conventions C88 and C181.
  - Build the capacity of PES to deliver services including career guidance, jobsearch assistance, job matching, provision of labour market information and intermediation.
  - Leverage partnerships and collaborations between PES and various public (e.g. departments of social welfare or social security organisation), private sector (e.g. private employment agencies, TVET providers, employers), and community-level actors.
- 2) Establish a comprehensive toolkit of gender-responsive and inclusive ALMPs that can be deployed and sequenced jointly with passive labour market policies and social protection measures as needed in response to a crisis
  - Strengthen supply-side measures (e.g. provision of vocational skills/ skills development, upskilling/reskilling; incentives for training) alongside demandside measures (employment, wage or hiring subsidies; entrepreneurship support and start-up incentives, public employment schemes);
  - Use social dialogue and participatory approaches to develop effective policies, including consultations with groups facing multiple and intersecting forms of discrimination/ labour market challenges.

#### 3) Improve data and labour market information (LMI) infrastructure

- Improve the quality and availability of LMI in the country, explore innovative approaches to collecting, integrating and using LMI (e.g. big data).
- Improve data integration and interoperability between government entities and within a PES-wide IT system.
- Strengthen the role of PES as a user and provider of LMI, including through job-matching platforms, and through the development and implementation of evidence-based ALMPs.

| <ul> <li>4) Enable safe and efficient use of technology by PES</li> <li>Develop and implement a digital strategy for PES (e.g., invest in and improve infrastructure for data storage and transmission, establish transparent data processes adhering to privacy policies and sound cybersecurity frameworks, etc.) Ensure the digital skill levels of staff are adequate to fulfil their changing tasks.</li> <li>Balance technological adoption with internal process and delivery improvement.</li> <li>Safeguard access to PES for groups with low digital literacy or access, consistently with internal standards.</li> </ul>   |
|---|
| 5) Shift towards 'client-centred' and integrated approaches to PES service delivery   |
| <ul> <li>Use profiling and needs assessment tools to improve the targeting and effectiveness of interventions (e.g., map out employment barriers for disadvantaged groups and individuals; development and implementation of gender-responsive and inclusive strategies to address them through a comprehensive integrated approach, including follow-up).</li> <li>Use multi-channel approaches to improve accessibility and availability of services to vulnerable groups;</li> <li>Combine digital technologies for service delivery with counsellors' support and adapted to individual characteristics (level of readiness for the job market);</li> <li>Sequence employment services while taking into account the economic cycle and local context (demand-side factors).</li> <li>Combine labour market services with activation measures, and explore added-value services to employers to improve placement rates.</li> </ul> |
| <ul> <li>6) Strengthen monitoring and evaluation of ALMPs</li> <li>Collect and analyse disaggregated data (by age, sex, disability status, geographic location, migration status, etc.) on the reach, inclusiveness and effectiveness of ALMPs (e.g. inclusion of questions on Indonesia's Pre-</li> </ul>  |
| <ul> <li>employment Card program in the LFS).</li> <li>Improve the design, implementation and monitoring/evaluation of policies and programmes through social dialogue, and through improved use of LMI for evidence-based policies; ensure cost-effectiveness of interventions.</li> </ul>   |

Source: Author's analysis/ synthesis based on international and regional resources and good practice examples.

### **II.7 Harnessing the Internet of Things**

• **Operational area 7.** "Encourage the optimisation of the use of secure internet of things (IOT) to intensify and advance manpower training, job creation, job placement, career advancement, labour inspection, and labour protection; to improve the performance of government services on labour and employment."

#### Relevance of operational area

Advanced and emerging technologies, including the Internet of Things (IoT), hold significant potential to improve government service delivery and public sector productivity, if adequate measures are in place for the secure use of these technologies, and to ensure that existing

inequalities (based on gender, geography, skills and digital literacy, etc.) are not further widened. Within this operational area, IoT can support workforce competitiveness through advanced training and job creation, enhance agility with improved job placement and career advancement, and foster resilience by strengthening labour inspection and labour protection; and by helping governments, businesses and workers manage new flexible work processes and thus adapt to the changing nature of work). For instance, IoT solutions (e.g., llot-connected sensors and devices) can help manufacturing employees work remotely, by indicating when machines need repair or 'downtime', thus contributing to maintaining productivity and resilience when workers cannot be deployed in factories (e.g., due to a health crisis).<sup>74</sup> In healthcare, IoT-enabled remote patient monitoring (RPM) allows organisations to keep track, virtually and in real time of patients' physiological conditions. and enables physicians and caregivers to respond to patients' needs and make rapid decisions and interventions even when one of them (the patient or healthcare professional) is not physically present. These examples highlight the importance of developing frameworks for procurement, deployment, privacy and security, and monitoring for the safe use of these technologies.

Beyond improving service delivery and work processes, secure, effective, and equitable IoT adoption can be considered as part of a broader digital strategy, and one that is consistent with just transition principles. For instance, IoT devices in smart cities, homes and offices can enable energy efficient and cost-efficient processes. Additionally, leveraging technological advances to provide reskilling and upskilling (including specialised skills and 'green skills') and improve the accessibility of such training, and to ensure decent work conditions are in place and worker rights are safeguarded, can help countries transition to a more equitable and sustainable future of work.

#### Regional and international frameworks and resources

Against the backdrop of digital transformation, there are several resources to help AMS harmonise the strategies and programs in the areas of employment and in support of workforce competitiveness, agility and resilience. Highly relevant for this operational area is the **ASEAN Digital Masterplan 2025** (ADM 2025), and particularly strategies linked to desired outcomes 3 'The delivery of trusted digital services and the prevention of consumer harm' and 5 'Increase in the quality and use of e-government services'. Enabling actions under the ADM 2025 important for optimising the use of IoT include ensuring '2.6: Ensure increased and harmonised spectrum allocation across the region' and '2.7: adopting a regional policy to deliver best practice, guidance on AI governance and ethics, IOT spectrum and technology'. The operational area is also consistent with the '**ASEAN Comprehensive Recovery Framework**', specifically broad strategy 4: Accelerating inclusive digital transformation. Some important insights can also be found in the report '**Managing Technology's Implications for Work, Workers, and Employment Relationships in ASEAN**' (ASEAN Secretariat, 2020b).

#### Internet-of-things strategies and initiatives in ASEAN

Malaysia has developed various national plans and strategies and is implementing many initiatives in support of digital transformation. The National IoT Strategic Roadmap (henceforth referred to as IoT Roadmap) – complementing the National Policy on Industry 4.0 (Industry4WRD 2018-2025) and the National ICT Strategic Roadmap (2021-2020) – was developed to help the country seize economic opportunities from the IoT, while

<sup>&</sup>lt;sup>74</sup> <u>https://www.iotforall.com/iot-remote-work-post-pandemic</u>

addressing key challenges related to the lack of a comprehensive IoT ecosystem, lack of standardisation in technologies of IoT components, and privacy and security concerns. The IoT Roadmap's main goals are to create a conducive IoT industry ecosystem, strengthen technopreneur abilities and capabilities in Apps and services development based on IoT technology, and develop Malaysia as a regional IoT development hub. The IoT Roadmap strategies include creating and enhancing capacity for SME technopreneur companies through exposure to IoT technology, brainstorming and experience sharing sessions; implementing pilot projects in line with various existing national initiatives; establishing 'IoT Malaysia' as a community of practice among stakeholders in the IoT industry; developing an Open Innovation Framework to standardise differences in IoT technology and an IoT Open Community Data Framework to facilitate information sharing between industries and users.75 One example of initiatives to spearhead the promotion and adoption of IoT technology in Malaysia are the Plugfest workshops on Industrial Internet of Things (IIoT) and on Artificial Intelligence-based Machine Vision system (AIoT). Upon completion of the workshops, participants are required to develop Proof-of-Concepts (POCs) projects, which are then compiled and published as case studies to inspire other IoT projects and solutions.<sup>76</sup> Against the backdrop of the IoT Roadmap, there are more than 15 centres providing technical support to the public and to the private sector in support of IoT development in Malaysia, and more than a hundred IoT solution applications have been developed by Malaysia technopreneurs.<sup>77</sup> Malaysia is now looking to further strengthen the IoT infrastructure, enhance collaboration between IoT actors, and further encourage the use of IoT technology to support the success of government initiatives.

Another noteworthy example is the Philippine's E-Government Master Plan (EGMP) 2022 to guide the ongoing digital transformation of public services, following a whole-of-government approach. The EGMP 2022 builds upon previous ICT plans and refines the building blocks of the EGMP 2013-2016, to consider enabling trends of the National ICT Ecosystem Framework (NICTEF) including IoT, Artificial Intelligence (AI), and Big Data among others, and provisions of the National Cybersecurity Plan (NCSP) 2022, National Broadband Plan (NBP).<sup>78</sup>

#### Technology use for labour inspection

There are also some examples in ASEAN of leveraging technology to support labour inspection and improved government service delivery. For instance, in 2019, the DOLE developed and utilised a technology-enabled and online-based inspection system known as the 'Labor Inspection-Management Information System (LI-MIS)'. This improved the collection and sharing of information, administrative transparency and accountability, and the generation of relevant reports of the DOLE. It also improved the overall capacity of the labour inspectorate in the effective administration and enforcement of labour standards. Along with other factors, such as training programs and increased staff, the shift to this technology saved time and energy. It allowed the inspectors to focus on the quality and depth of the inspection, and to identify strategic interventions based on up-to-date data. The use of this system also limited procedural lapses that may affect the findings of the labour inspectors.

Similarly, given the difficulty of conducting labour inspections during the COVID-19 pandemic, Cambodia piloted and subsequently implemented the 'Self-declared Labour

<sup>&</sup>lt;sup>75</sup> <u>https://www.malaysia.gov.my/portal/content/30611</u>

<sup>&</sup>lt;sup>76</sup> https://wayup.my/wp-content/uploads/2021/03/EEPN-Plugfest-Booklet-E-Book-2.pdf

<sup>&</sup>lt;sup>77</sup> https://www.malaysia.gov.my/portal/content/30611

<sup>78</sup> https://dict.gov.ph/ictstatistics/wp-content/uploads/2020/03/EGMP-2022.pdf

Inspection and Labour Inspections through Automatic system': Since January 2022, enterprises have been required to self-report on various items corresponding to their level of compliance with the Labour Law through the Ministry of Labour and Vocational Training (MLVT)'s automated system twice per year, prior to a physical visit by a labour inspector. Such initiatives to leverage technology has significant potential to improve the efficiency of labour inspections while reducing cost (despite some upfront costs for establishing the required infrastructure). By strengthening enforcement of labour law, they contribute to reduce decent work gaps, and can – along with other positive incentives – promote formalisation (Gallo and Thinyane, 2021).

#### Box 7 Guidelines for operational area 7: Harnessing the Internet of Things (IoT)

Advanced and emerging technologies, including the Internet of Things (IoT) have the potential to contribute to workforce competitiveness, agility and resilience in many ways, provided measures are in place to optimise the secure use of these technologies. The Guidelines present here are based on the still scarce but growing body of information and initiatives around the IoT:

- 1) Establish the enabling infrastructure for IoT spectrum and technology
  - Increase and harmonise spectrum allocation across the region, as per the ADM 2025.
  - Promote the standardisation of technologies for IoT components
  - Ensure legislative framework is in place that addresses privacy and security concerns
  - Adopt a regional policy to provide good practices and guidance on safe and effective use of IoT
- 2) Develop strategies to promote the safe, equitable, sustainable use of IoT for government services
  - Develop an IoT Roadmap or integrate IoT in national digitalisation plans and/or E-government/ public services digitalisation plans; ensure plans cover security and privacy issues and other enabling infrastructure
  - Explore the use of IoT for enhancing labour inspection processes and other government- services (e.g., inclusion in programmes and monitoring the impact of policies on specific groups)
- 3) Promote innovation and safe and equitable use of IoT by organisations, enterprises and entrepreneurs, and incorporate just transition principles
  - Develop an IoT ecosystems, knowledge sharing platforms, or 'communities of practice' around IoT
  - Promote innovation in IoT technology adoption, through initiatives like PlugFest in Malaysia
  - Encourage the adoption of IoT by organisations, enterprises, and workers to improve energy efficiency, cost-effectiveness and productivity of work and production processes.
  - Use IoT to improve skills training and accessibility

Source: Author's analysis/ synthesis based on international and regional resources and good practice examples.

# II.8 Enhanced knowledge sharing and strengthened ASEAN partnerships

- Operational area 8. "Promote the sharing of knowledge, information, and best practices of labour and employment strategies and policies through regional initiatives, including among others, the Regional Centre for the Future of Work (RCFW) and ASEAN Future Workforce Council (AFWC), to prepare all ASEAN workers' readiness for regional and global competitiveness amidst the fourth industrial revolution and the changing world of work."
- **Operational area 10.** "Promote close collaboration and partnership amongst ASEAN Member States and external partners, international organisations, and relevant international entities to enhance labour and employment development in ASEAN, and boost our efforts in creating new opportunities for collective action and innovation for building more inclusive, resilient and peaceful societies in the recovery and post-pandemic era."

#### Relevance of operational area

Sharing of information, knowledge and good practices is a crosscutting issue helps the development and implementation of all policies highlighted under the other operational areas, and supporting competitiveness, agility, and resilience. Despite varying national contexts, AMS encounter similar challenges, making knowledge sharing and cooperation invaluable. Regional initiatives and strategies complement national efforts, fostering a collective approach towards sustainable and inclusive policies.

Collaborations and partnerships between AMS and external stakeholders also play a vital role, supporting policies in all operational areas. By leveraging shared knowledge, innovation, and resources, these collaborations mobilise collective action towards common objectives, promoting a fair and equitable future of work in the region.

#### Regional and international frameworks and resources

A profound understanding of the importance of knowledge sharing and cooperation underlies all regional initiatives led, coordinated, and supported by the ASEAN Secretariat, and the various ASEAN sectoral ministerial bodies, and is reiterated in various statements and declarations, including the **ASEAN Labour Ministers' Statement on the Future of Work: Embracing Technology for Inclusive and Sustainable Growth** and the **ASEAN Declaration on Human Resources Development for the changing World of Work**. The following sections will discuss key initiatives that are of particular relevance for the ASEAN Declaration on Promoting Competitiveness, Agility, and Resilience of Workers for the Future of Work and its operational areas. Helpful international resources for this operational area include the United Nations Office for South-South Cooperation (UNOSSC) and the International Labour Organization (ILO)'s platform for South-South and Triangular Cooperation (SSTC).<sup>79</sup>

<sup>&</sup>lt;sup>79</sup> The ILO's platform for SSTC can be accessed at southsouthpoint.net.

#### ASEAN knowledge sharing and regional coordination mechanisms and platforms

There are several important knowledge sharing platforms and initiatives in ASEAN, including SEA-VET.Net – the TVET Knowledge Platform for Southeast Asia, which has been a valuable source of information and knowledge sharing on TVET, including on relevant news and events, research, and publications, and more. Another important example is ASEAN-OSHNET (ASEAN Occupational Safety and Health Network), established to improve collaboration among national OHS institutions in ASEAN, to enhance the capacity of these institutions including for training and research, support the harmonisation of OHS standards and guidelines. The ASEAN Labour Inspection Committee (ALICOM), established in 2022, is also a relevant example. The ALICOM aims to enhance regional cooperation and knowledge sharing in improving labour inspection efficiency and its effectiveness in hard-to-reach sectors, as well as strengthen referral systems.<sup>80</sup>

A relatively recent mechanism, the ASEAN TVET Council (ATC) was launched in September 2020, by the ASEAN Labour Ministers Meeting (ALMM), ASEAN Education Ministers Meeting (ASED) and ASEAN Economic Ministers Meeting (AEM). The ATC is a cross-sectoral body with representation from Ministries of Education, Ministries of Labour, Ministries of Commerce/ Industry/ Trade and other relevant ministries from all AMS, in addition to Southeast Asian Ministers of Education Organization (SEAMEO) Secretariat, the ASEAN Confederation of Employers (ACE), the ASEAN Trade Union Council (ATUC), the ASEAN Future Workforce Council (AFWC) and relevant divisions of the ASEAN Secretariat. The ATC aims to support evidence-based policymaking, private sector engagement in TVET, labour market information programmes, inclusive access to TVET and more, and coordinates regional programs under six priority areas corresponding to six outcomes of the ATC Work Plan 2021-2030.<sup>81</sup> The ATC has since 2022 institutionalised a series of Regional Policy Dialogues (RPD), on thematic areas linked to the workplan: the second ATC RPD event, focusing on "Labour Market Information for better TVET policy", was organised in May 2023 with support from the ASEAN Secretariat and GIZ/RECOTVET. In addition to its multistakeholder nature, there are good practices with respect to the ATC in terms of building synergies and avoiding duplication of efforts at the regional level. For instance, the recently launched ATC website is linked with the SEA-VET.Net platform, and the ATC Workplan considers ASEAN commitments pertaining to TVET, as per the ASEAN HRD Roadmap, ASEAN Comprehensive Recovery Framework (ACRF) Implementation Plan, SOM-ED Work Plan 2021-2025, SLOM-WG Work Plan 2021-2025, and ASEAN Strategic Action Plan for SME Development 2016-2025 among others.

There are also several ASEAN bodies that make an important contribution from the perspective of inclusion, ensuring that specific groups are well represented on the regional policy agenda. These include the ASEAN Forum on Migrant Labour, ASEAN Disability Forum, and ASEAN intergovernmental Commission on Human Rights.

#### Collaboration among social partners and non-governmental actors

A noteworthy platform for social dialogue at the regional level is the annual conduct of the ASEAN Regional Tripartite Social Dialogue (ARTSD) conference, organised by the ASEAN

<sup>&</sup>lt;sup>80</sup> https://asean.org/asean-labour-inspectors-join-hands-for-compliance-in-workplace/

<sup>&</sup>lt;sup>81</sup> The six outcomes are: 1. Strengthen labour-market orientation through effective use of labour market information and institutionalized cooperation and leadership of business and industry in TVET, 2. Improved digital readiness, resilience to disruptions, and ability of TVET systems and TVET institutions to adapt and respond to emerging trends, 3. Enhanced capacity of TVET personnel (political decision-makers, managers, teachers, instructors, and trainers at schools, centres and in companies), 4. Improved image and status of TVET and increased demand for initial and continuous TVET programmes in and across AMS; 5. Sustained and effective ATC ad an institution in the region, 6. Harmonized TVET policies/frameworks to improve the whole ASEAN TVET environment. <a href="https://atc.sea-vet.net/index.php/what-we-do/atc-workplan">https://atc.sea-vet.net/index.php/what-we-do/atc-workplan</a>

Employees Trade union Council (ASETUC) in cooperation with the ASEAN Confederation of Employers (ACE), the ASEAN Secretariat, and the ASEAN Senior Labour officials Meeting (SLOM) working group, with support from the Friedrich Ebert Stiftung (FES) Germany. These annual conferences represent a 'tripartite-plus' platform (involving various ASEAN bodies, employer and worker organisations, NGOs and academics) for discussing various themes of interest.<sup>82</sup>

Another highly relevant ASEAN initiative is the Regional Centre for the Future of Work (RCFW) also launched in September 2020 in response to the ILO's Centenary Declaration for the Future of Work, 2019. The RCFW was an initiative of the Ministry of Manpower of Singapore for ASEAN, to promote continued social dialogue, knowledge sharing, capacity building and collaboration at the regional level, for addressing future of work-related challenges. The launch of this initiative is a good practice example of an ASEAN country taking leadership in an area where they have a solid foundation (in this case, Singapore and its strong tripartite culture/ commitment to social dialogue) to move the region forward. The RCFW's focus areas are i) Embracing Technology for Inclusive Growth, ii) Workplace Safety and Health and iii) Tripartism. The RCFW's work is guided by a group of advisors with representation from international and regional organisations, and ASEAN governments, employers and labour unions.

The ASEAN Future Workforce Council (AFWC), represented on the ATC, is also an interesting example, because its membership does not consist of governments but rather business and industry representatives from across ASEAN. The AFWC was the result of a commitment of members of a regional working group of 'TVET champions form business and industry' – launched in 2018 by the ASEAN Secretariat with support from GIZ/RECOTVET – to implement the Future ASEAN agenda for TVET that they had collaboratively developed. The AFWC was officially launched in 2019 and recognised as a Joint Business Council by the ASEAN Business Advisory Council (ASEAN-BAC).

Other non-governmental organisations at the regional level include sectoral associations such as such as ASEAN Tourism Association (ASEANTA) for example. A greater role of regional sectoral organisations/associations to support a sectoral effort at the national level, and to coordinate those efforts at the regional level (e.g. through harmonisation/ development of regional skills/competency standards) may be explored.

#### Leveraging partnerships with external actors

There are many good practice examples of leveraging external partnerships and collaboration to enhance labour and employment development in ASEAN, for more inclusive, resilient, and peaceful societies. For instance, several initiatives listed in the above paragraph have benefited from the strong support of the German's government's RECOTVET. GIZ/RECOTVET, the ILO, and other donors and international organisations partner with and support the ASEAN Secretariat, ASEAN sectoral bodies and AMS on many areas including under the SLOM-WG Work Plan 2021-2025.

The ASEAN Plus Three (APT or ASEAN+3) provides a comprehensive framework for collaboration between the ten ASEAN Member States and the People's Republic of China, Japan and the Republic of Korea. APT cooperation has expanded and deepened over the years in several areas.

<sup>82</sup> https://library.fes.de/pdf-files/iez/13753.pdf

The ASEAN Forum on Migrant Labour (AFML), a regional tripartite platform to discuss issues faced by migrant workers from and within ASEAN, supported by the ILO's TRIANGLE and funded by the governments of Australia and Canada.<sup>83</sup> Furthermore, the ILO and China have facilitated knowledge sharing on employment services among ASEAN+3 countries, building upon lessons learned from the ILO-China SSTC project to expand employment services and enhance labour market information in Cambodia and the Lao People's Democratic Republic.

#### Box 8 Guidelines for operational areas 8 and 10: Enhanced knowledge sharing and Strengthened ASEAN Partnerships

| There are already many platforms for knowledge sharing in ASEAN, and mechanisms for partnership and collaboration. These Guidelines provide some insights for strengthening existing processes:                                   |
|---|
| 1) Ensure coordination and avoid duplication of efforts across ASEAN bodies<br>and corresponding Work Plans   |
| <ul> <li>Where multiple bodies are engaged in the same area, clearly assign roles and<br/>responsibilities in work plans.</li> </ul>  |
| • Develop work plans while considering other related ones, with a view of building synergies and avoiding duplication of efforts; cross-check strategies and actions to ensure coherence and consistency across work plans.       |
| <ul> <li>2) Expand opportunities for south-south and triangular cooperation</li> <li>Continue to strengthen existing mechanisms (e.g. APT)</li> </ul>   |
| • Explore new south-south and triangular cooperation opportunities to tackle emerging challenges  |
| 3) Expand knowledge sharing and cooperation to other social actors within ASEAN   |
| • Explore strengthening the role of ASEAN sectoral bodies in supporting efforts towards the objectives of the Declaration   |
| • Develop networks and communities of practice across ASEAN around various themes (e.g. labour market information; labour productivity; etc.), including social actors beyond government, employers and unions, to cover academic |
| and research organisations, NGOs, community-based organisations and others.   |
|   |

Source: Author's analysis/ synthesis based on international and regional resources and good practice examples.

<sup>&</sup>lt;sup>82</sup>\_https://library.fes.de/pdf-files/iez/13753.pdf

## **III. CONCLUDING REMARKS**

The Declaration on Promoting Competitiveness, Agility, and Resilience of Workers for the Future of Work aims to support AMS' 'building back better' in the aftermath of the pandemic and to facilitate a just transition to a more equitable, inclusive and sustainable future of work in the region. The operational areas of the Declaration are interconnected and strategies and guidelines for addressing one area support the implementation of others. Developing improved skills standards and harmonisation not only boosts labour productivity and business development but also lays the foundation for embracing digitalisation and advanced technologies like IoT. Investment in skills development and digital infrastructure further contributes to productivity growth and enhances government service provision, including public employment services (PES). The significance of a solid and inclusive social protection system and adaptive, responsive labour market policies, together with modern and efficient PES, cannot be overstated in confronting labour market challenges. Just transition principles underline the importance of ensuring that these institutions support workers through transitions to greener, more sustainable industries. Robust labour market information, data infrastructure, and connectivity are instrumental in supporting these institutions. Moreover, the success of strategies across all operational areas hinges on effective social dialogue and harmonious industrial relations, and on participative and inclusive policymaking processes around key issues. These processes help secure mutually beneficial outcomes for enterprises and workers. ensure that workers' voices are heard and their rights protected, and that no is left behind. Knowledge-sharing, collaboration and partnerships between AMS and partners also play an essential cross-cutting role across the operations areas, enabling the leveraging and scaling-up of good practices, resource sharing, and supporting innovation.

This Guidance Document serves as a valuable resource, summarising insights from key instruments and selected good practices in the ASEAN region. It acknowledges that the challenges and solutions are diverse, and the guidelines presented are to be used voluntarily, tailored to each country's unique circumstances and priorities. In implementing the Declaration, AMS may draw on this Guidance Document to develop action plans that integrate commitments and actions that are planned under other national and regional strategies and workplans, in order to avoid duplication of efforts and allocate resources more effectively. Follow-up actions and policies should be developed with active participation of stakeholders, including all relevant government departments and agencies, employer and worker representatives, and a broader set of actors including from academia, NGOs and CSOs. AMS are encouraged to monitor and evaluate progress on the implementation of the Declaration using Tool 2 of the ASCC Blueprint 2025 M&E system. Indicators can be developed to enable assessing the effectiveness and inclusiveness of policies.

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## **V. APPENDIX**

Table 1. Ratification status of selected key ILO Conventions by ASEAN Member States (as of June 2023).

|   | Brun<br>ei<br>Daru<br>ssala<br>m | Ca<br>m<br>bo<br>di<br>a | Ind<br>one<br>sia | Lao<br>PDR | Mal<br>aysi<br>a | Mya<br>nm<br>ar | Phili<br>ppi<br>nes | Sing<br>apo<br>re | Thai<br>land | Viet<br>na<br>m |
|---|----------------------------------|--------------------------|-------------------|------------|------------------|-----------------|---------------------|-------------------|--------------|-----------------|
| SOCIAL DIALOGUE AND TRIPARTISM  |                                  |                          | 1                 | 1          | 1                | 1               | I                   | I                 | I            | I               |
| C98 – Rights to Organize and collective Bargaining Convention, 1949 (No. 98)                  |                                  | $\oslash$                | $\oslash$         |            | $\oslash$        |                 | $\oslash$           | $\oslash$         |              | $\oslash$       |
| C144 - Tripartite Consultation (International Labour Standards) Convention, 1976<br>(No. 144) |                                  |                          | $\oslash$         | $\oslash$  | $\oslash$        |                 | Ø                   | Ø                 |              | $\odot$         |
| C154 - Collective Bargaining Convention, 1981 (No. 154)                                       |                                  |                          |                   |            |                  |                 |                     |                   |              |                 |
| SOCIAL SECURITY   |                                  |                          | 1                 | 1          | 1                | 1               | I                   | I                 | I            | I               |
| C102 - Social Security (Minimum Standards) Convention, 1952 (No. 102)                         |                                  |                          |                   |            |                  |                 |                     |                   |              |                 |
| C118 - Equality of Treatment (Social Security) Convention, 1962 (No. 118)                     |                                  |                          |                   |            |                  |                 | $\oslash$           |                   |              |                 |
| C157 - Maintenance of Social Security Rights Convention, 1982 (No. 157)                       |                                  |                          |                   |            |                  |                 | $\oslash$           |                   |              |                 |
| C130 - Medical Care and Sickness Benefits Convention, 1969 (No. 130)                          |                                  |                          |                   |            |                  |                 |                     |                   |              |                 |
| C168 - Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168)    |                                  |                          |                   |            |                  |                 |                     |                   |              |                 |
| C121 - Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980]<br>(No. 121)  |                                  |                          |                   |            |                  |                 |                     |                   |              |                 |
| C128 - Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128)                 |                                  |                          |                   |            |                  |                 |                     |                   |              |                 |
| C183 - Maternity Protection Convention, 2000 (No. 183)  |                                  |                          |                   |            |                  |                 |                     |                   |              |                 |
| PUBLIC EMPLOYMENT SERVICES AND ADAPTIVE LABOUR MARKET POLICIES                                |                                  |                          |                   | 1          | 1                | 1               |                     |                   |              | L               |
| C088 – Employment Service Convention, 1948 (No. 88)   |                                  |                          | $\oslash$         |            | $\oslash$        |                 | $\oslash$           | $\oslash$         | $\oslash$    | $\oslash$       |
| C122 – Employment Policy Convention, 1964 (No. 122)   |                                  | $\oslash$                |                   |            |                  |                 | $\oslash$           |                   | $\oslash$    | $\oslash$       |

#### Table 2. Selected ILO Recommendations relevant to operational areas

| SOCIAL DIALOGUE AND TRIPARTISM  |   |
|---|---|
| R091 - Collective Agreements Recommendation, 1951 (No. 91)  |   |
| R094 - Co-operation at the Level of the Undertaking Recommendation, 1952 (No. 94)                                   | - |
| R113 - Consultation (Industrial and National Levels) Recommendation, 1960 (No. 113)                                 |   |
| R129 - Communications within the Undertaking Recommendation, 1967 (No. 129)   |   |
| R130 - Examination of Grievances Recommendation, 1967 (No. 130)   |   |
| R152 - Tripartite Consultation (Activities of the International Labour Organisation) Recommendation, 1976 (No. 152) |   |
| R163 - Collective Bargaining Recommendation, 1981 (No. 163)   |   |
| SOCIAL SECURITY   |   |
| R201 - Social Protection Floors Recommendation, 2012 (No. 202)  |   |
| PUBLIC EMPLOYMENT SERVICES AND ADAPTIVE LABOUR MARKET POLICIES  |   |
| R083 - Employment Service Recommendation, 1948 (No. 83)   |   |
| R122 - Employment Policy Recommendation, 1964 (No. 122)   |   |
| R169 - Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169)                                  |   |
|   |   |

## Table 3. Selected good practice examples from ASEAN Member States under the operational areas of the Declaration \*This is not intended to be a comprehensive list of all policies, programmes or initiatives.

| Initiative/ Example  | Description  |
|--|--|
| Operational Area 1. Skills harmonisation and reco  |  |
| Malaysian Skills Certificate (Malaysia) (by Jabatan<br>Pembangunan Kemahiran, MOHR)      | The Malaysian Skills Certification Programme is recognised by industry in Malaysia. It provides<br>an attractive career path and personal growth opportunity for participants and is comparable<br>to a career choice based on academic qualifications.  |
| Recognition of Prior Achievements (Malaysia)   | Recognition of Prior Achievement (APA) or formerly known as the Accreditation of Prior<br>Achievement is a method to give recognition to any individual who can demonstrate skills<br>outlined in the National Occupational Skills Standards (NOSS) based on prior experience and<br>achievements.   |
|  | The Malaysian Skills Certification Programme was first introduced on 13 September 1996 to acknowledge the contribution of skilled workers in the country. It emphasises the concept of life-long learning and this process can help individuals to evaluate and develop the learning they have acquired through formal and informal means.   |
| Registration of Technologists and Technicians,<br>Malaysia Board of Technologists (MBOT) | https://www.mbot.org.my/registration/professional-technologists/   |
| Graduates Empowerment Programme (GEP) –<br>Malaysia - PERKESO - MYFutureJobs             | Graduates Empowerment programme focuses on building the competitive capacity of Malaysian graduates to equip them with the necessary skills and competencies according to industrial demands.  |
|  | This programme is a collaborative effort between SOCSO with more than 50 career leads from the public and private institutions.  |
|  | The programme includes:<br>1. Career Counselling   |
|  | <ol> <li>Job Search</li> <li>Job Matching</li> <li>Employability Programme</li> </ol>  |
| National Apprenticeship Scheme, Career<br>Advancement Program (Malaysia - Secretariat)   | National Apprenticeship Scheme System  |
|  | SPN is a program which creates opportunities for apprentices to obtain work experience in the private sector and government-linked companies (GLC). They are given exposure to real life work situations, under the supervision and guidance of competent and experienced officers.  |
| Establishment of PQF - Philippines   | Success factors:<br>Strong support from government stakeholders, TESDA leadership, Industry engagement<br>(partnership and linkages) in skills and education provision, and drive/push for referencing to<br>AQRF.   |
|  | Challenges:<br>Low level of public awareness and insufficient engagement of stakeholders outside of<br>government<br>Paradigm shift to learning outcomes/ competency-based education difficult outside TVET  |
|  | sector (in practice, despite existence of related policies in basic and higher education)<br>Source: UNESCO, 2018  |
| Philippines: Career Development Support Program<br>(CDSP)                                | DOLE program that offers labour market information and support to various groups (students, job-seekers, professionals, counselors, others) to help the, make informed career and policy decisions, through collaboration among different government agencies and organisations, including DepEd, CHED, TESDA, PRC, DOST, and the Federation of Career Guidance Advocates Network of the Philippines. The program aims to help individuals adapt to the evolving demands of the labour market, under the theme "Learn. Adapt. Thrive." |
| SkillsFuture Singapore (SSG)   | SSG drives and coordinates Government of Singapore initiatives around skills, promoting a culture of lifelong learning. Initiatives include Skills Frameworks; SkillsFuture Credit; Skills & Training Advisory and others.   |
| ASEAN-ROK TVET mobility programme (and related programmes)                               | Harmonisation of TVET competency standards and recognition in AMS  |
| · - ·  | https://www.aseanrokfund.com/our-works/project-asean-rok-technical-and-vocational-<br>education-and-training-tvet-mobility-programme-team-programme-component-<br>2#:~:text=The%20ASEAN%2DROK%20TVET%20Mobility.mobility%20through%20internships%20<br>and%20faculty   |

| Microcredentials   | King Mongkut's University of Technology Thonburi (KMUTT) 's Thailand UMAP Micro Credential programme<br>https://www.global.unair.ac.id/thailand-umap-micro-credentials-strand-b-phase-2-virtual-<br>program/   |
|--|--|
| Operational Area 2. Labour productivity  |  |
| Raising labour productivity in agriculture sector  | Lao PDR's 8th Five-Year National Socio-Economic Development Plan (2016–2020) emphasises raising agricultural productivity as a development priority to raise livelihoods for agricultural workers in the short-term, and help them transition to more productive jobs in other sectors by reducing labour demand with increased agriculture productivity in the longer term. Indonesia's 2017 Government Assistance Program (GAP) provides farmers assistance in the form of financial aid, scholarship for agriculture extension, agriculture machinery, farming land and infrastructure or material to establish farmland, all with the aim of increasing the productivity of national agriculture production. Such schemes help to improve technology adoption among farmers which is a key driver of productivity                                      |
|  | Source: ASEAN Secretariat 2020b  |
| Skills and innovation:   |  |
| TVET innovation centres in the Philippines   | At present, there are four TVET innovation centers located in Isabela, Cebu, Northern Samar,<br>and Zamboanga Sibugay to help produce more skilled workers and increase employability of<br>Filipino workers including women and the youth.  |
| Malaysia Skills Development Fund Corporation<br>(by Perbadanan Tabung Pembangunan Kemahiran) | Under the Twelfth Malaysia Plan, the Skills Development Fund Corporation plays a more dynamic role as a provider of skills training funds to support Game Changer X - Improving TVET Ecosystem to Produce Future-Ready Talent. Based on the evolution of the industry and technological changes that are growing rapidly at the moment, the Skill Development Fund Corporation is always proactive in funding skills training programs that promise the marketability of TVET graduates in the workplace in line with the Government's desire to have 35% skilled workforce by 2030.   |
|  | Madani Economy Initiative prioritizes equality of opportunity for every Malaysian regardless of gender, race or background. Every citizen needs to have a fair chance to experience meaningful success either in career or life. Therefore, under Initiative 12 in the 2023 Budget, the standardization of the stamp duty rate for Education loan agreements which is RM10 for education loan agreements at the certificate or professional level as applied to diploma students above has been approved. It encourages more school leavers who are mostly from the B40 group and are in rural and rural areas to follow skills training programs and further reduce the number of drop out school leavers to continue their studies to a higher level.  |
|  | In 2023, the Skills Development Fund Corporation is responsible for managing the TVET<br>Training Fund and the i-MAHIR Financing Fund amounting to RM181 million. This allocation is<br>expected to give 7,625 trainees the opportunity to follow training based on the National<br>Employment Skills Standard in a comprehensive, micro and modular programme. In 2023 (until<br>31 July 2023), a total of 11,371 trainees have been funded with a total allocation of RM<br>233,486,362.71 under these two funds. The Skills Development Fund Corporation also<br>continues the implementation of the 2022 Budget initiative, namely the PERKASA TVET 2022<br>Funding Fund which has the concept of place and train. Until 31 July 2023, an allocation of RM<br>35,590,824.00 has been approved to finance a total of 5,693 trainees.                    |
| Malaysia Ministry of Human Resources Digital Skills  | Initiative by the Malaysia Digital Economy Corporation (MDEC)  |
| Training Directory   | https://mdec.my/digitalskillstrainingdirectory   |
| e-LATiH online learning platform, and Upskill<br>Malaysia                                    | e-LATiH is an online learning platform developed by the Human Resource Development<br>Corporation (HRD Corp) of Malaysia, where learners can choose from over 1,000 personal and<br>professional development courses. Initiative aims at reskilling/upskilling the workforce.<br>Source:<br><u>https://elatih.hrdcorp.gov.my/about-us</u><br>Upskill Malaysia is a centralised platform giving the possibility to search and apply for skills  |
|  | development programmes offered by the Malaysia Government. Source:<br><u>https://upskillmalaysia.gov.my/</u>   |
| Holistic approaches/ national frameworks   |  |
| Singapore ITMs   | Industry Transformation Maps (ITMs) have been developed for 23 industries, divided into seven clusters, to address common issues for each industry and strengthen partnerships among stakeholders to address these. The ITMs were endorsed by the Future Economy Council (FEC) with representation from government, industry, unions and educational and training institutes. Each ITM cluster is led by an agency with relevant responsibility (e.g. the Advanced Manufacturing and Trade Cluster is led by the Singapore Economic Development Board (EDB); the Connectivity Cluster by the Ministry of Transport, etc.) Skills Frameworks, jointly developed by employers, industry associations, unions, education institutions and government constitute key components of ITMs, providing information on existing and emerging skills, reskilling and |

|  | upskilling options and career pathways, to inform decisions of employers, workers, students and training providers alike.  |
|--|--|
|  | Sources: https://www.moe.gov.sg/news/press-releases/20160520-formation-of-the-council-<br>for-skills-innovation-and-productivity ; https://www.mti.gov.sg/ITMs/Overview ;<br>https://www.skillsfuture.gov.sg/initiatives/students/skills-framework   |
| Singapore Enterprise innovation scheme (EIS)   | This incentive scheme announced in the Budget 2023 provides enterprises with enhanced and new tax deductions and/or allowances on qualifying expenditure incurred on various activities that support productivity and innovation, including R&D undertaken in Singapore, registration of intellectual property; acquisition and licensing of IP rights; training and innovation projects carried out with polytechnics, the Institute of Technical Education (ITE) or other qualified partners.  |
|  | Source: <u>https://www.iras.gov.sg/schemes/disbursement-schemes/enterprise-innovation-</u><br>scheme-(eis)   |
| Singapore Smart Nation initiative  | Reference: https://lkyspp.nus.edu.sg/docs/default-source/case-studies/singapores-smart-<br>nation-initiative-final_112018.pdf?sfvrsn=354e720a_2  |
| Malaysia National Productivity Blueprint   | The Blueprint defines 5 key strategic thrusts to raise productivity and address challenges: 1.<br>Workforce restructuring/ increased share of high skilled workers, 2. Digitalisation and<br>innovation and strengthening enterprise readiness for 4IR, 3. Making industry accountable for<br>productivity (linking incentives to productivity outcomes, strengthening industry positions in<br>value chains, 4. Forging a robust ecosystem (e.g. addressing regulatory constraints), 5. Strong<br>implementation mechanism (embedding productivity culture and effective governance). The<br>Blueprint identifies 10 national level initiatives, 43 sector-level initiatives, and additional<br>measures to drive productivity growth at the enterprise level. It assigns responsibility/<br>leadership role for each level to key actors (e.g. core ministries for national level, industry<br>associations and 'anchor enterprises' for sectoral initiatives, and enterprise management with<br>support from the 'Sector Productivity Nexus' for firm level initiatives). |
| Twelfth Malaysia Plan 2021-2025  | The areas covered under four policy enablers are highly relevant for labour productivity enhancement, and consistent with a holistic approach: 1) Developing future talent, 2) Accelerating technology adoption and innovation, 3) Enhancing connectivity and transport infrastructure, and 4) strengthening the public service.   |
| Philippines' Inclusive Innovation Industrial Strategy<br>(i <sup>3</sup> S)                                      | The i <sup>3</sup> S aims to promote innovation and enhance the competitiveness of agriculture,<br>manufacturing, and service industries through 1) building an innovation and entrepreneurship<br>ecosystem, 2) removing obstacles to growth and attracting investment, 3) strengthening<br>domestic supply chains and 4) deepening industry participation in global and regional value<br>chains. The i <sup>3</sup> S includes six strategic action areas: 1. Embracing 4IR technologies, 2. Innovative<br>SMEs and Startups, 3. Integrating production systems, 4. Ease of doing business, 5. Upskilling/<br>reskilling the workforce, and 6. Innovation and Entrepreneurship Ecosystem.   |
|  | strategy/  |
| <b>Operational Area 3. Business development and you</b><br>Legislative frameworks supporting MSMEs and entrepret |  |
| Philippines Republic Act No. 19644 (Go Negosyo Act)  | Law promotes entrepreneurship and provides support for micro, small and medium enterprises (MSMEs). Establishes the Negosyo Centers, which provide business registration assistance, training programs and access to financing and markets for entrepreneurs.  |
| Philippines Ease of Doing Business and Efficient<br>Government Service Delivery Act of 2018                      | Law that aims to improve the ease of doing business by streamlining government processes<br>and reducing bureaucratic red tape. It mandates the aoption of online systems, simplification<br>of requirements and implementation of time limits for government transactions.  |
| Philippines Innovating Startup Act   | Law that supports the growth and development of innovative startups by providing tax incetives, grants, and access to funding. It also established the Philippine Startup Development Program, which facilitates yhe creation of incubators, innovation hubs and research.   |
| SME Corp. Malaysia   | SME Corporation Malaysia (SME Corp. Malaysia), under the Ministry of Entrepreneur and Cooperatives Development (MECD) is responsible for the coordination of development programs and initiatives for SMEs and entrepreneurs across the country.   |
|  | Source: https://www.smecorp.gov.my/index.php/en/about-sme-corp-malaysia  |
| Youth entrepreneurship in rural areas and communities  |  |
| Young Agropreneur Grant (GAM)  | This program provides a government grant in the form of goods (in-kind) to entrepreneurs aged 18-40, who earn an income equal to or below RM 5,000 to engage in agro-<br>entrepreneurship activities across the entire agriculture value chain (e.g. crop production, livestock and fisheries, agro-based industry, agro tourism and support services to agriculture and agro-processing).   |
|  | Source: <u>https://www.lkim.gov.my/en/young-agropreneur/</u>   |

| Philippines DOLE: Technical and Advisory Visit (TAV)  | This approach introduced by DOLE, focuses on assisting community-based microentrepreneurs compliance with labour laws and standards. During TAV sessions, labour inspectors or assistant labour inspectors provide micro-establishments with useful information on the General Labor Standards; Occupational Safety and Health Standards (OSHS); Child and Family Welfare Program; Productivity Toolbox; and other DOLE policies and programs. Source: https://ro7.dole.gov.ph/news/dole-to-help-micro-establishments-become-compliant-with-labor-laws-thru-tav/  |
|---|---|
| Initiatives and innovations for improving LM inclusion th   | rough skills development and tackling the digital divide  |
| eRezeki (Malaysia)  | https://mdec.my/erezeki   |
| eUsahawan programme (Malaysia Digital Economy<br>Corporation (MDEC))  | This programme provides digital skills training to entrepreneurs and micro and small<br>businesses using online and physical modalities, and covering business management,<br>entrepreneurship, digitalisation and digital marketing. The programme complements MDEC's<br>efforts to help local companies grow their businesses and access the global market.<br>Source: https://www.nst.com.my/news/nation/2023/05/911996/mdecs-eusahawan-<br>programme-upskill-local-businesses-digital-marketing   |
| TESDA scholarships  | Addressing issue of inclusion, affordability of skills training   |
| TESDA online program  | Improving digital literacy as well as providing an effective and efficient way of delivering TVET at the learner's own space and time   |
| DOLE youth employability programs including:<br>JobStart Philippines, Government Internship<br>Program, and Special Program for Employment of<br>Students | DOLE's youth programs aim to shorten school-to-work transitions, particularly of youth at risk,<br>and to provide temporary employment to students, out-of-school youth, and dependents of<br>displaced workers.  |
| Multistakeholder initiatives and good practice examples   | of engaging private sector  |
| Startup Cambodia  | National program led by the Ministry of Economy and Finance, which aims to support local startups and building a vibrant entrepreneurship ecosystem in Cambodia. The program runs a 'one-stop digital platform' for all actors in the startup ecosystem in Cambodia to interact, share knowledge and explore partnerships. The ecosystem includes startups, mentors, investors, incubators, and accelerators. Source: <a href="https://startupcambodia.gov.kh/">https://startupcambodia.gov.kh/</a>   |
| Dana Impact, Impact Malaysia  | Impact Malaysia is an initiative, under the purview of the Ministry of Youth and Sports, to encourage youth-driven social impact through multistakeholder approaches, engaging local communities, NGOs, civil society, and other partners. Among other programs, the Dana Impact program provides youth with an opportunity to receive a micro grant of up RM 5,000 to create social impact in their communities. Source: <a href="https://impact.my/about-us/">https://impact.my/about-us/</a> and <a href="https://impact.my/about-us/">https://impact.my/about-us/</a> and <a href="https://impact.my/about-us/">https://impact.my/about-us/</a> and |
| MyDigitalWorkforce Work in Tech (MYWiT) and<br>under it: Digtial Business Services (DBS) and Digital<br>Tech Apprenticeship (DTA).                        | https://myfuturejobs.gov.my/upskilling-reskilling/<br>https://mdec.my/mywit   |
| Professional Training and Education for Growing<br>Entrepreneurs (PROTÉGÉ) - Malaysia   | Launched in 2019, this entrepreneurial training and marketplace training program aims to develop and guide youths in collaboration with industry experts in the effort to create more competitive and ready job marketers as well as skilled job seekers to meet current industry needs. Source: https://www.malaysia.gov.my/portal/content/30498   |
| Operational area 4: Social dialogue and industrial rela   |   |
| Malaysia Productivity Linked-Wage System (PLWS),  | Ministry of Human Resources initiative.   |
|   | https://www.ilo.org/wcmsp5/groups/public/asia/ro-bangkok/ilo-<br>jakarta/documents/meetingdocument/wcms_645181.pdf  |
|   | https://nhrc.com.my/resource-centre/productivity-linked-wage-system-plws-concept-issues-<br>and-benefits-for-employers-and-employees/   |
| Operational area 5: Social Protection   | · · · · · · · · · · · · · · · · · · ·   |
| Social insurance<br>Employment Insurance;<br>Self-employed Protection Scheme;   | By the Social Security Organization   |
| Social Security Coverage Expansion for Domestic<br>Workers;<br>Housewives' Social Security Scheme   | Domestic workers will be covered under Employees' Social Security Act (Act 4) and Employment Insurance System (Act 800) that will be enforced starting 1 June 2021.   |
| (Malaysia)  | https://www.perkeso.gov.my/en/51-social-security-<br>protection.html#:-:text=Domestic%20workers%20will%20be%20covered.enforced%20starting<br>%201%20june%202021.  |
| Employment Insurance;   | By the Social Security Organization   |
| Self-employed Protection Scheme;<br>Social Security Coverage Expansion for Domestic<br>Workers;<br>Housewives' Social Security Scheme<br>(Malaysia)       | Domestic workers will be covered under Employees' Social Security Act (Act 4) and<br>Employment Insurance System (Act 800) that will be enforced starting 1 June 2021.<br>https://www.perkeso.gov.my/en/51-social-security-<br>protection.html#:~:text=Domestic%20workers%20will%20be%20covered,enforced%20starting   |
|   | <u>protection.ntmm#~text=bomestc%z0workers%z0wiii%z0be%z0covered,enforced%z0starting</u><br>%201%20june%202021.   |

| Social assistance   |  |  |  |  |  |  |
|---|--|--|--|--|--|--|
| 1Malaysia People's Aid (BR1M) program /<br>Sumbangan Tunai Rehmah (STR) | Sumbangan Tunai Rehmah (STR) – Mercy Cash Contribution social assistance program   |  |  |  |  |  |
| Skim Peduli Kesihatan untuk Kumpulan B40 (PeKa<br>B40)                  | Government initiative under the Ministry of Health of Malaysia, available to Malaysian citizens<br>in the bottom 40% household income range (known as B40). Recipients of the STR and their<br>spouses aged 40 and above are automatically eligible (no registration needed).<br><u>https://protecthealth.com.my/peka-b40-2/</u>   |  |  |  |  |  |
| Coordinating institutions   |  |  |  |  |  |  |
| Malaysia Social Protection Council (MySPC)                              | CDSM (PIC: En. Amirul Aiman)   |  |  |  |  |  |
|   | https://www.dosm.gov.my/uploads/content-downloads/file_20221003094845.pdf  |  |  |  |  |  |
| Operational area 6: Public employment services                          |  |  |  |  |  |  |
| Malaysia: MyFuture Jobs;<br>My FutureJobs Careerfair                    | Social Security Organization<br>PERKESO  |  |  |  |  |  |
|   | https://myfuturejobs.gov.my/careerfair/  |  |  |  |  |  |
| Malaysia:<br>Upgrading the National Employment Services Portal          | https://www.perkeso.gov.my/en/186-penjana/847-upgrading-the-national-employment-<br>services-portal.html   |  |  |  |  |  |
| MyCareersFuture Singapore   | Online job matching platform. Cooperation between Workforce Singapore and GOVTECH <a href="https://www.mycareersfuture.gov.sg/">https://www.mycareersfuture.gov.sg/</a>  |  |  |  |  |  |
| Brunei Darussalam JobCentre   | This service is a web-based platform which provide an online job application experience to jobseekers who wishes to apply for vacancies in the job market  |  |  |  |  |  |
|   | Source: <u>https://jobcentrebrunei.gov.bn/</u>   |  |  |  |  |  |
| PaskerID Indonesia  | This service is a web-based platform which provides an online job application experience to jobseekers who wish to apply for vacancies in the job market. This service is also a web-based platform which provides an online job posting experience to HR who wish to find good candidates for their company.  |  |  |  |  |  |
|   | Source: <u>www.siapkerja.kemnaker.go.id</u>  |  |  |  |  |  |
| Operational area 7: Internet of things                                  |  |  |  |  |  |  |
| Malaysia:<br>National Fourth Industrial Revolution (4IR) Policy;        | Both by Economic Planning Unit<br>EPU (now Kementerian Ekonomi)  |  |  |  |  |  |
| Malaysia Digital Economy Blueprint                                      | The <b>National 4IR Policy</b> is a testament of the Government's commitment towards realising the digital revolution, today. It will drive efforts to implement the 4IR agenda and leverage the transformation of technology for the socioeconomic development of the people and the nation. (Link: <u>https://www.ekonomi.gov.my/sites/default/files/2021-07/National-4IR-Policy.pdf</u> )   |  |  |  |  |  |
|   | The <b>Malaysia Digital Economy Blueprint</b> provides the way forward to fully realise the potential of the digital economy in achieving inclusive, responsible and sustainable socioeconomic development. Digital economy presents tremendous new opportunities for Malaysia, on our journey to become a high income nation. (Link: <a href="https://www.ekonomi.gov.my/sites/default/files/2021-02/malaysia-digital-economy-blueprint.pdf">https://www.ekonomi.gov.my/sites/default/files/2021-02/malaysia-digital-economy-blueprint.pdf</a> )              |  |  |  |  |  |
| SME Digitalization Initiative (Malaysia)                                | https://mdec.my/digital-economy-initiatives/for-the-industry/sme   |  |  |  |  |  |
| Malaysia: Industrial Internet of Things (IIoT)<br>PLUGFEST programme    | The Electrical and Electronics Productivity Nexus (EEPN), under the purview of the Malaysia<br>Productivity Corporation (MPC), has been spearheading and pioneering the promotion and<br>adoption of Industry 4.0, especially among the local companies and SMEs. One of their<br>initiatives is the Plugfest workshops on Industrial Internet-of-Things (IIoT) and Artificial<br>Intelligence based Machine Vision system (AIoT). Participants of the workshop<br>are required to develop Proof-of-Concepts (POCs) projects, upon completion of the workshop. |  |  |  |  |  |
| National Internet of Things (IoT) Strategic Roadmap<br>(Malaysia)       | The National IoT Roadmap aims to realise the vision of Malaysia as the Premier Regional IoT development hub with the mission of creating a national ecosystem to enable the proliferation of use and industrialisation of IoT as a new source of growth for the national economy. The IoT industry is expected to contribute RM9.5 billion to the gross national income of Malaysia by 2020 and RM42.5 billion by 2025.  |  |  |  |  |  |
|   | <ol> <li>There are three main goals for the implementation of the National IoT Strategic Roadmap:</li> <li>Create a conducive IoT industry ecosystem to stimulate the smooth implementation of<br/>IoT technology;</li> <li>Strengthen technopreneur abilities and capabilities in Apps and services development<br/>based on IoT technology; and</li> <li>Develop Malaysia as the Premier Regional IoT Development Hub.</li> </ol>  |  |  |  |  |  |

| Cambodia  | https://conventuslaw.com/report/cambodia-pilot-launch-of-labour-inspection-self/   |  |  |  |  |  |
|---|--|--|--|--|--|--|
| Operational area 8: Enhanced knowledge sharing v  | within ASEAN   |  |  |  |  |  |
| ASEAN TVET Council  | Good practice example for promoting the sharing of knowledge and regional cooperation  |  |  |  |  |  |
| Operational area 9: Adaptive labour market policie  |  |  |  |  |  |  |
| Philippines: COVID-19 Adjustment Measures<br>Program for Formal Sector and Overseas Filipino<br>Workers                 | Formal Sector: Covid-19 Adjustment Measures Program (CAMP)<br>CAMP is a cash assistance for employees for those in the formal sector or workers hired by<br>private companies or establishments regardless of their employment status (permanent,<br>probationary, or contractual). Employees who are displaced within enhanced community<br>quarantine may also be included in the list of beneficiaries. Beneficiaries of the program received<br>a one-time cash assistance of P5,000.<br>Overseas Filipino Workers: Abot Kamay ang Pagtulong (AKAP)  |  |  |  |  |  |
|   | Akap is a cash assistance given to overseas Filipino Workers who were displaced and stranded due to quarantine brought about by the pandemic. Beneficiaries of the program received a one-<br>time case assistance of \$200 (approximately P10,000).   |  |  |  |  |  |
| Tulong Pnaghanapbuhay para sa Ating Displaced<br>Disadvantaged Workers (TUPAD); TUPAD<br>#Baranggay Ko, Bahay Ko (BKBK) | The <b>Tulong Panghanapbuhay sa Ating Displaced/Disadvantaged Workers Program (TUPAD)</b> is one of the programs of the Department of Labor and Employment (DOLE) which aims to contribute to poverty reduction and inclusive growth. It is a community-based (municipality/barangay) package of assistance that provides temporary wage employment for the displaced workers, unemployed and self-employed workers.   |  |  |  |  |  |
|   | The <b>#Barangay Ko, Bahay Ko (TUPAD #BKBK)</b> , on the other hand, was implemented by the DOLE to mitigate the impact of the Corona Virus Disease 2019 (Covid-19) to the livelihoods/business and workers sector, pursuant to <u>Proclamation Nos. 922</u> and <u>929</u> , declaring a <i>State of Public Health Emergency</i> and <i>State of Calamity</i> throughout the Philippines due to Covid-19.   |  |  |  |  |  |
| Small Business Wage subsidy (SBWS) – Philippines  | In the Small Business Wage Subsidy (SBWS) Program, the national government is providing a wage subsidy for affected employees of small businesses to help mitigate the impact of the quarantine in Luzon and various local government units. This wage subsidy shall be given for up to two months so that affected small businesses are able to retain their employees during the quarantine period.  |  |  |  |  |  |
|   | Under the Small Business Wage Subsidy (SBWS) measure, the government, through the Social Security System (SSS), shall provide a wage subsidy of between 5,000 to 8,000 pesos (based on the regional minimum wage) per month per eligible employee.   |  |  |  |  |  |
| DOLE Integrated Livelihood Program or Kabuhayan<br>Program  | DILP or Kabuhayan Program is the DOLE's contribution to the governments' agenda of inclusive growth through massive job generation and substantial poverty reduction. It seeks to reduce the vulnerability to risks of the poor, vulnerable and marginalized workers by providing them access to a grant assistance for capacity-building on livelihood ventures either for individual or group undertakings.  |  |  |  |  |  |
|   | The DILP is implemented either through Direct Administration by the DOLE Regional Offices or through an Accredited Co-Partner (ACP). Under this scheme, the following organizations will qualify for accreditation as co-partner: (a) peoples' organizations; (b) workers' associations; (c) unions/federations; (d) state universities and colleges/higher educational institutions/ national technical-vocational schools; (e) local government units; (f) cooperatives; and (g) national government agencies.   |  |  |  |  |  |
|   | <ul> <li>Livelihood assistance may be availed as individual projects or as group projects. For group projects, these may be segregated according to membership size: <ul> <li>Micro-Livelihood — the organization is composed of 15-25 members, and can avail of a maximum financial assistance of P250,000.00, depending on the project requirement.</li> <li>Small Livelihood — the organization is composed of 26-50 members, and can avail of a maximum financial assistance of P500,000.00 depending on the project requirement.</li> </ul> </li> </ul>   |  |  |  |  |  |
|   | <ul> <li>Qualified beneficiaries of the Program are entitled to the following:</li> <li>Working capital for the purchase of raw materials, equipment, tools and jigs, and other support services necessary</li> <li>Training on how to plan, set-up, start and operate the livelihood project / undertaking, such as production skills, entrepreneurship, business management, productivity and business planning.</li> <li>Social security through enrolment in Group Personal Accident Insurance (GPAI) of GSIS, to be included in the total project cost or as counterpart of the Accredited Co-Partner (ACP);</li> <li>Continuing technical and business advisory services to ensure efficiency, productivity, and sustainability of the business/enterprise.</li> </ul> |  |  |  |  |  |
| DOLE Abot Kamay and Pagtulong (AKAP)  | AKAP is a cash assistance given to overseas Filipino Workers who were displaced and stranded due to quarantine brough about by the pandemic. Beneficiaries of the program received a one-time case assistance of \$200 (approximately P10,000).  |  |  |  |  |  |
| Wage Subsidy Program - Malaysia   | https://www.perkeso.gov.my/en/wage-subsidy-programme.html  |  |  |  |  |  |

| Penjana Tourism Financing (PTF) Facility                       | Initiative to support MSMEs in the tourism sector to adapt and remain sustainable post-COVID-<br>19 pandemic. Source: <u>https://www.bnm.gov.my/documents/20124/2294076/PTF_FAQ_en.pdf</u>  |
|--|---|
| Hiring incentive & Training Program<br>Malaysia                | As per the Budget 2023, Social Security Organization (Socso) will provide incetives of up to RM600 per month for three months to employers to hire those from vulnerable groups, such as persons with disabilities (PwD), ex-convicts, homeless people and the hardcore unemployed; and up to 17,000 graduates, especially from Technical and Vocational Education and Training (TVET). |
|  | Source: https://www.thestar.com.my/news/2023/02/24/budget-2023-socso-to-give-employers-<br>incentives-to-hire-from-vulnerable-<br>groups#:~:text=%22Socso%20will%20also%20provide%20incentives.addition%20to%20the%20s<br>alary%20offered.  |
| EIS vocational training (upskilling/ reskilling) -<br>Malaysia | The program aims at reskilling and upskilling of the workforce. Persons insured under the EIS can consult Employment Service Officers (ESO) to enrol. The training fee is paid by Socso directly to the the training providers, but eligible training recipients can also receive a financial incentive.<br>https://myfuturejobs.gov.my/upskilling-reskilling/                          |
|  | Supplements other initiatives for reskilling and upskilling in Malaysia, including Digital Skills for Tomorrow's Job program.   |

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