Expert Group Meeting on
Social Outlook for Asia and the Pacific:
The Workforce We Need

30 June 2021
Opening Remarks

Mr. Patrik Andersson

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Toward a healthy, protected and productive workforce

**Moderator:** Selsah Pasali, SDD, ESCAP
Presentation of Chapter 5

Renewing the Social Contract

Ms. Areum Han
Social Development Division
ESCAP
Despite significant progress in many domains, trust is eroding with rising inequality.

**Economic growth** in Asia and the Pacific has been the fastest in the world in the last decade.

Rising living standards, improved nutrition and WASH has contributed to **increased longevity**.

With **widening inequalities**, however, trust in the region has been declining over the past decades.
Building a healthy, protected and productive workforce requires a new social contract

Strong trust between the workforce and the State and among people is fundamental for financing and implementing universal health care, universal social protection, and creating decent jobs, which in turn can help further deepen solidarity and renew social contract.
Higher UHC and SP coverage are associated with higher trust in society
Expectations of people are high

Two-thirds of people believe in the governments’ role in providing for the general welfare

Over 90% of the population expect their governments to provide access to health care

Health care and social protection are key demands
Progressive taxation lies at the heart of the social contract

Taxation can reduce extreme inequalities in wealth and income and raise sufficient revenue to support sustainable and inclusive development.

However, average tax revenue as a share of GDP in Asia-Pacific stands at 21%.

A taxation reform, broadening the tax base and introducing progressive tax system, is much needed.
Broad principles for policy interventions to renew the social contract

1. Apply a rights-based approach to pro-equality policies
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2. Strengthen cross-sectoral and inter-ministerial collaboration
Broad principles for policy interventions to renew the social contract

1. Apply a rights-based approach to **pro-equality** policies

2. Strengthen cross-sectoral and inter-ministerial **collaboration**

3. Build **stronger institutions** and promote meaningful **participation**
Broad principles for policy interventions to renew the social contract

1. Apply a rights-based approach to pro-equality policies
2. Strengthen cross-sectoral and inter-ministerial collaboration
3. Build stronger institutions and promote meaningful participation
4. Improve data collection and analysis to identify the impact and adjust
Discussion

Featured Remarks by Dr. Steven Rood, Social Weather Station, the Philippines

Featured Remarks by Prof. David Everatt, Wits School of Governance
University of the Witwatersrand, Johannesburg

Plenary Discussion
Virtual Break
Policy Recommendations

Moderator: Miguel Niño-Zarazúa, SOAS, London, UK
Presentation of Chapter 5

Policy Recommendations of Social Outlook

Mr. Selahattin Selsah Pasali
Social Development Division
ESCAP
Extending Social Protection for All

• Protecting the workforce begins by establishing a minimum level of universal social protection: a universal social protection floor.
  • The adoption of the Action Plan to Strengthen Regional Cooperation on Social Protection in Asia and the Pacific demonstrates political commitment to this ambition.

• The following recommendations are put forward for governments’ consideration.

• Embed universal social protection in national development agendas and allocate more resources.
  • Design inclusive social protection schemes that uphold human rights.
  • Adapt social protection to an ageing population.
  • Build digital solutions to support delivery and adaptation.
  • Capitalize on regional cooperation.
Extending Social Protection for All

- **Countries on track**: Close remaining coverage gaps.

- **Countries partly on track**: Increase coverage of specific population groups left behind.

- **Countries on the right trajectory in terms of coverage**: Increase spending

- **Countries on the right trajectory in terms of expenditures**: Expand coverage through new and existing schemes.

- **Countries off track**: Non-contributory schemes to reach regional average.

Aggregate social protection coverage of at least one scheme

Public spending on social protection as per cent of GDP

Global average social protection spending

Asia-Pacific average social protection spending

Asia-Pacific average coverage

Public spending on social protection as per cent of GDP
Achieving Universal Health Coverage

• Providing affordable and quality health care for all without financial hardship is a prerequisite for the well-being and productivity of the workforce. There is a strong role for Social Health Protection.

• Most of the recommendations above require an expansion of public spending on health care.

• Expand coverage of health care services.
• Focus on primary and preventive care, not just curative health protection.
• Ensure health care protection is extended to the household and not the individual.
• Cover the poor under the same system used for the entire population and subsidize them.
• Couple health care with social protection.
• Anticipate people’s evolving needs and promote healthy ageing.
• Strengthen the workforce of the health care sector that is directly affected by global megatrends, including ageing and migration.
Achieving Universal Health Care

- **Countries on track**: Continue the good work

- **Countries partly on track**: Coverage is on track, but OOP needs attention

- **Countries with coverage challenges**: Accessibility issues to be solved innovatively.

- **Countries off track**: SHP to be prioritized to achieve UHC.
Improving Access to Decent Employment

- Formalize jobs and advance the decent work agenda.

- Reduce the skill deficits by expanding and improving the quantity and quality of training schemes.
  - Understand the needs and demands of beneficiaries through better targeting.
  - Match the training provided to the local labour markets through effective collaboration with the private sector.
  - Consider the skill level of beneficiaries to ensure an inclusive positive impact.
  - Complement skills trainings with information campaigns that form better expectations on returns to training by sector.

- Invest in public employment programmes (PEPs) and harness their potential within the umbrella of social protection schemes to meet basic needs and adapt and mitigate climate change, particularly in rural areas.

- Exercise caution in developing employment, wage or recruitment subsidies and where possible combine them with other activation measures.
- Ensure that labour market services programmes complement trainings and subsidies to ensure a positive impact.
- Combine training schemes with other activation measures for higher impact.
- Monitor and evaluate ALMPs regularly before scaling up.
Conclusion

• **There is no one size fits all policy which can deliver the workforce we need.** Extending universal social protection, delivering universal health care and offering tailored active labour market policies to create decent jobs are long-term investments in our people with demonstrable positive returns. Sharing the cost of such investment is necessary and calls for solidarity between and within generations.

• **This Report is dedicated to the workforce we need in Asia-Pacific.** It envisions a resilient workforce that is healthy, protected and productive, free of gender, racial and economic inequalities. A workforce that is committed to skill development through lifelong learning and quality education, and which benefits from universal social protection and universal health care throughout its life. A workforce that is given the means to fulfil its potential and contribute to the greater good.

• **If we are to accelerate progress and achieve the 2030 Agenda on Sustainable Development in less than eight years, an extraordinary level collaboration is required across our region.** To build the workforce we need, our region needs all hands-on deck. In solidarity and with trust, together we can shape a better future for Asia and the Pacific.
Questions & Answers
Active Labor Market Policies in Asia and the Pacific

Policy Recommendations

Nina Torm, Roskilde University, Denmark
Miguel Niño-Zarazúa, SOAS University of London and UNU-WIDER
Introduction

• Active Labour Market Policies (ALMPs) are specific interventions that target those seeking work and those at risk of losing their jobs
  • *Demand-side measures*: wage subsidies, public works, job market services
  • *Supply-side measures*: training, re-skilling and job-matching
• ALMPs are highly relevant for developing countries especially when characterized by informality and underemployment
• ALMPs enable the transition of workers to the formal economy, facilitating the adaption to new skills – especially relevant in the context of demographic transitions, technological change and climate-related contingencies
The situation in Asia and the Pacific (AP)

- ALMPs are a key policy tool in boosting access to decent employment in AP gaining traction since the 1999 ILO decent work agenda involving public and private employment services, training and higher education institutions, central and local governments, and civil society organizations.
- In AP ALMPs date back to 1980s when micro-credit schemes and the 1997 Asian Financial Crisis saw a boost in ALMPs in Eastern and Southeast Asia.
- To tackle the extensive decent employment gap in AP it is crucial that different types of ALMPs prioritize women, youth and people with lower education equipping them with the relevant skills, including the future demand for more specialized skills.
Low investment in ALMPs in Asia and the Pacific

Despite their potential ALMPs have a limited impact in AP: the average annual spending is 0.19 pct. of GDP, vis-à-vis around 0.24 per cent in Latin America, North America, and countries in the MENA region (Pignatti & Van Belle, 2021).

The coverage of ALMPs in AP shows significant variation:
In the Kyrgyz Republic and Viet Nam, around 24 pct. and 12 pct. of the population participate in ALMP, whilst in Myanmar and Cambodia, the corresponding shares are 2 pct. and 1 pct.
In countries like India and Armenia, ALMP reach urban populations twice as much as the rural populations, while in Bangladesh, Indonesia and Vietnam the presence of ALMP is stronger in rural areas than in urban settings.
ALMPs and social protection linkages

In the context of developing countries, social protection (SP) and ALMPs are complementary policies. Beneficiaries of unemployment insurance benefits are often required to enroll in labour market services, training schemes and/or entrepreneurial support programmes to find employment while at the same time facilitating job search and retraining. Public works are often seen as part of both social assistance and public employment programmes, often in combination with training schemes. Reinforcing the links between SP and ALMPs has become even more pertinent given the current green and demographic transitions, rapid digitalization as well as the COVID-19 pandemic.
Policy Recommendations (i): supply-side

Reduce the skill deficits by expanding and improving the quantity and quality of training schemes as generally associated with positive labour outcomes (AP evidence in Niño-Zarazúa and Torm, 2022)

Better targeting, taking into account structural constraints faced by vulnerable groups such as mobility constraints particularly faced by women (Jain et al. 2019)

- Match the training provided to the local labour markets through effective collaboration with the private sector (Hirshleifer et al. 2016)
- Ensure an inclusive positive impact: Innovative skills training curricula can help vulnerable groups get the most out of trainings
- Complement skills trainings with information campaigns that form better expectations on returns by sector: increasingly address digital and green skills to incentivize workforce transition into more green and productive sectors
Policy Recommendations (ii): demand-side

Invest in public employment programmes (PEPs) and harness their potential within the umbrella of SP schemes to meet basic needs and adapt and mitigate climate change, particularly in rural areas.

Exercise caution in developing employment, wage or recruitment subsidies and where possible combine them with other activation measures.

Different examples provide evidence that subsidies help to formalize existing jobs yet do not create new formal employment opportunities (Niño-Zarazúa and Torm, 2022).

However, when wage subsidies are combined with labour market service (LMS), a strong and sustained positive impact is observed on formal employment, and earnings increase over the long-term particularly for women and older people (Novella and Valencia, 2019; Mourelo and Escudero, 2017).
Policy Recommendations (iii): combinations

Ensure that LMS complement wage subsidies and training: LMS have not been widely used in the AP region due to limited public resources.

Combine training schemes with other activation measures: In some contexts, cash grants and access to subsidized loans work well with entrepreneurial skills trainings. In other cases, job search assistance complements vocational training.

In sum, the evidence points to the potential benefits of combining and/or coordinating different ALMPs and SP, especially in contexts of high informality in countries recovering from the COVID-19 pandemic.

Monitor and evaluate ALMPs regularly before scaling up/replicating as the degree of policy effectiveness is contingent on aspects related to the specific targeted population, the time-frame of implementation etc.
Plenary Discussion

We would welcome your expert feedback and thoughts on issues raised by Chapter 5, for example:

- What other policy recommendations would you consider in building a healthy, protected and productive workforce?
- What other lessons learned would you recommend in advancing this agenda in Asia and the Pacific?
Closing Remarks

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