



Economic and Social Commission for Asia and the Pacific**Seventy-ninth session**

Bangkok and online, 15–19 May 2023

Item 4 (b) of the provisional agenda*

Review of the implementation of the 2030 Agenda for Sustainable Development in Asia and the Pacific and issues pertinent to the subsidiary structure of the Commission: social development**Trends in social development: the future of work in Asia and the Pacific****Note by the secretariat***Summary*

The year 2023 marks the midpoint of the implementation of the 2030 Agenda for Sustainable Development and the work towards achieving the Sustainable Development Goals and their respective targets. It is also a time when countries in the Asia-Pacific region are being transformed by climate change, rapid digitalization and demographic shifts, in particular the ageing of the population. While these megatrends cannot be controlled entirely, they can be addressed through consistent, forward-looking policies that create more inclusive, equitable and just societies.

In the preparation of the present document, strategic foresight was employed to gauge the impact that megatrends are likely to have on the workforce in Asia and the Pacific, both now and in the future. The workforce drives the region's economic growth, which in turn will determine whether the region achieves the Sustainable Development Goals and their respective targets and maintains its course towards inclusive and sustainable development. The present document also contains recommendations on creating a future workforce that is healthy, productive and resilient, so that no one is left behind.

The Economic and Social Commission for Asia and the Pacific may wish to take note of the findings contained in the document and provide further guidance to the secretariat on the priority actions to be taken.

* ESCAP/79/1/Rev.2.

I. Introduction

1. In 2020, the United Nations Economists' Network identified five megatrends affecting sustainable development: climate change; demographic shifts, in particular the ageing of the population; urbanization; the emergence of digital technologies; and inequalities.¹ The coronavirus disease (COVID-19) pandemic has affected the megatrends and their impact on societies. How society deals with them will shape the future. While the megatrends cannot be controlled entirely, they can be addressed through the application of consistent, forward-looking policies, incorporating lessons learned from the pandemic, so that no one is left behind.

2. In the preparation of the present document, strategic foresight was employed to gauge the impact that the megatrends were likely to have on the future of work in Asia and the Pacific. In this context, strategic foresight is a structured and systematic way of using data and information about existing and future social development trends to anticipate and better prepare for the opportunities and challenges these trends could present. Insights from this analysis were then used to make recommendations to create more inclusive, equitable and just societies.

3. The workforce drives economic growth and innovation and is critically important for the future economic and social development of the region. The region's efforts to achieve the 2030 Agenda for Sustainable Development must be informed by a clear understanding of how these megatrends affect workers and societies.

4. The present document contains an overview of how the future of work is affected by three of these megatrends: population dynamics, technological change and climate change. This is followed by a description of the state of the current workforce and recommendations on the investments needed to create a future workforce that is healthy, protected and productive. The document also contains an overview of the norm-setting documents that guide the work of the Economic and Social Commission for Asia and the Pacific (ESCAP) on these issues, followed by a presentation of the capacity-building activities, tools and knowledge products that ESCAP has developed to support member States in addressing the challenges presented below.

II. Setting the stage: how population dynamics, technological change and climate change are shaping the future of work

A. Population dynamics

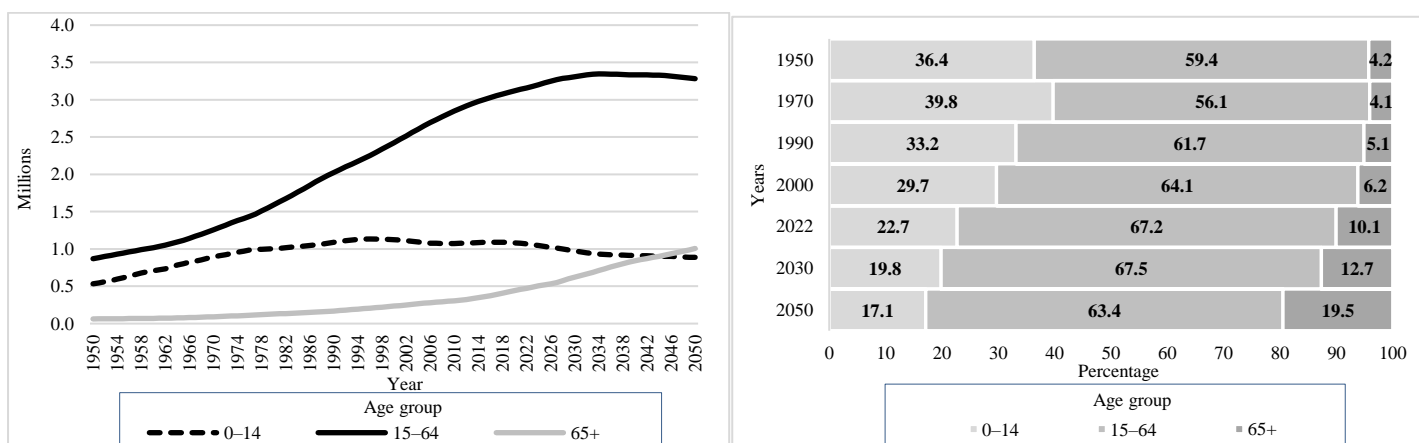
5. For decades, countries in Asia and the Pacific have been undergoing a demographic transition marked by a change from high to low rates of fertility and mortality, with increased longevity and internal and international migration. Consequently, populations have been transformed from being younger and mostly rural to being older and more urban. This change represents a human success story, the result of improved public health and medical advancements, and broad socioeconomic development. It also presents challenges that are exacerbated when changes occur rapidly and affect many people and when countries have little time to respond.

¹ United Nations, *Report of the UN Economist Network for the UN 75th Anniversary: Shaping the Trends of Our Time* (United Nations publication, 2020).

6. As a result of these demographic changes, the working-age population in Asia and the Pacific, defined as the population aged 15 to 64 years, has quadrupled, from 869 million in 1950 to 3.2 billion in 2022, representing 67.2 per cent of the total population in the region. The working-age population is projected to peak at 3.3 billion by the mid-2030s, representing 66.8 per cent of the total population, and then will start to decline. Women make up about 49 per cent of the working-age population. In roughly 14 countries and areas in the region, the working-age population is projected to decline in the period to 2030.

7. At the same time, the population of the region is ageing rapidly, with the number of persons aged 65 years or over increasing from 62 million in 1950, or 4.2 per cent of the total population, to 473 million in 2022, equivalent to 10.1 per cent of the total population. Women currently represent 55.2 per cent of all older persons in Asia and the Pacific. By 2050, older persons are expected to total 622 million people, equal to 19.5 per cent of the region’s population (figure I). As a result, the median age of the population will increase from 32.1 years in 2022 to 40.3 years in 2050, with a similar upward shift in the median age of the labour force. Although the definition of old age is changing, as populations age a declining share of workers will support more people who are not working.

Figure I
Population age structures in Asia and the Pacific, 1950–2050



Source: United Nations, Department of Economic and Social Affairs, *World Population Prospects 2019: Highlights*.

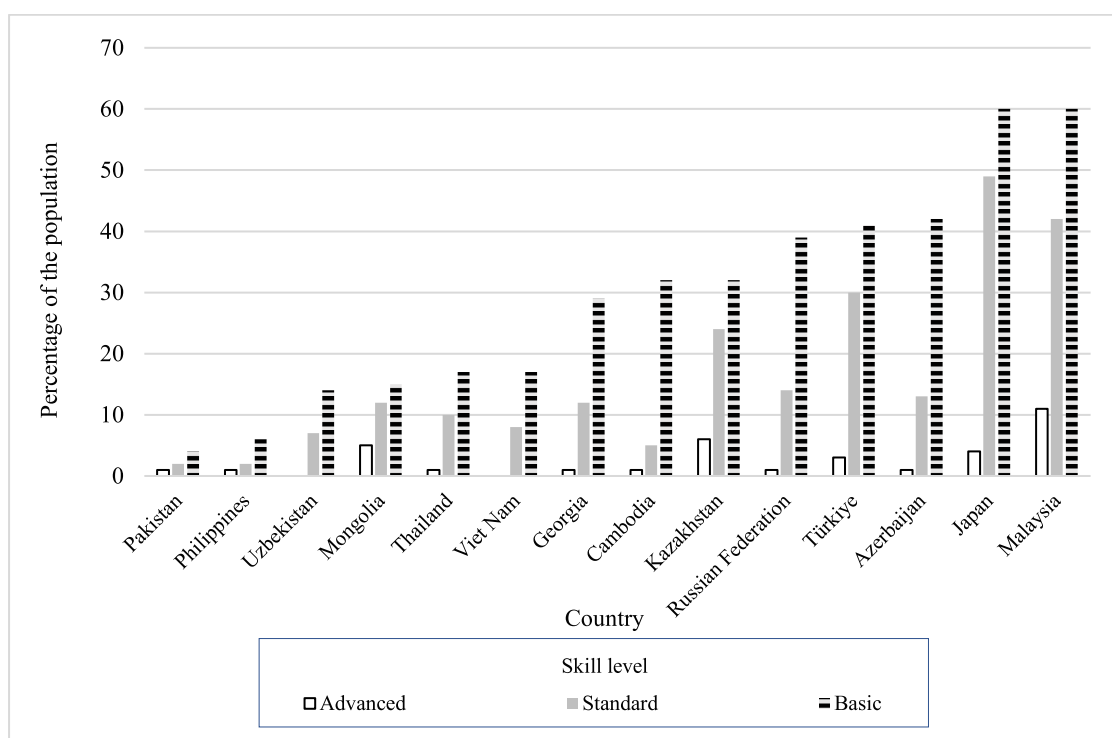
B. Technological change

8. Asia and the Pacific is a major driver of innovation, development and adoption of information and communications technology (ICT). Digital technologies are accelerating the pace of globalization, transforming labour markets and redefining societal structures. While digital technologies can promote productivity and increase the number of jobs in the formal economy, unequal access to digital technologies can intensify disparities in income and wealth. Evidence shows that the region is also the most digitally divided in the world. Fewer than two thirds of the population in the region use the Internet, in contrast to an average of 90 per cent among developed countries globally. There are disparities in Internet usage according to age; gender; disability status; socioeconomic status; and residential location (urban versus rural). Those excluded from digital transformations are at an increased risk of being left behind.

9. The gender digital divide in the region is a major barrier to women’s meaningful participation in society. According to the International Telecommunication Union, an estimated 54 per cent of women in the region use the Internet compared with 59 per cent of men.² The divide is especially pronounced in South Asian countries, where women are 36 per cent less likely to use the Internet than men are. Older persons and persons with disabilities also have less access to the Internet and lack digital skills, which impedes their participation in society, including in the labour market. Age and gender are significant predictors of Internet access and use and can interact with other factors, including location, income, disability and ethnicity. These interactions can lead to multiple and intersecting forms of discrimination and exacerbate existing social inequalities.

10. The use of ICTs requires digital skills, and digitalization will widen inequalities in opportunities and outcomes by transforming labour markets. The levels reached in basic, standard and advanced ICT skills in the period 2020 to 2022 vary significantly across Asia-Pacific countries (figure II). Even among high-performing countries, up to 40 per cent of the population lacks basic ICT skills. In all the countries for which data are shown, less than 12 per cent of the population has advanced ICT skills.

Figure II
Information and communications technology skill levels among the population of selected Asia-Pacific countries, latest year available



Source: International Telecommunication Union, *Measuring Digital Development: Facts and Figures 2021* (Geneva, 2021).

Note: With regard to the skill levels, “basic” indicates that users are able to undertake computer-based activities, including using copy and paste tools and writing text; “standard” indicates that users are able to use Excel and PowerPoint and download, install and configure software; and “advanced” indicates that users are able to write a computer program or use a specialized programming language.

² Atsuko Okuda and others, “Tackling the digital gender divide in Asia”, International Telecommunication Union, 23 May 2022.

11. In order to participate in the digital transition, people need at least standard ICT skills. This can be particularly challenging for women, older persons and persons with disabilities, who often face discrimination when it comes to obtaining these skills.

12. Globally, an estimated 1.8 billion jobs in developing countries are vulnerable to automation. Labour-saving technologies, such as automation, artificial intelligence and the adoption of robots, could increase unemployment and underemployment, in particular for low- and medium-skilled workers, and especially in the manufacturing sector, and the unemployed may find it difficult to find new work. Moreover, digitalization does not automatically create decent jobs. The emergence of digital platforms has given rise to unregulated and informal job markets and new forms of exploitation, underlining the importance of regulations that recognize and enforce workers' rights. As automation increases demand for skilled labour and raises wage premiums for skilled workers, medium- and low-skilled workers risk being left behind.

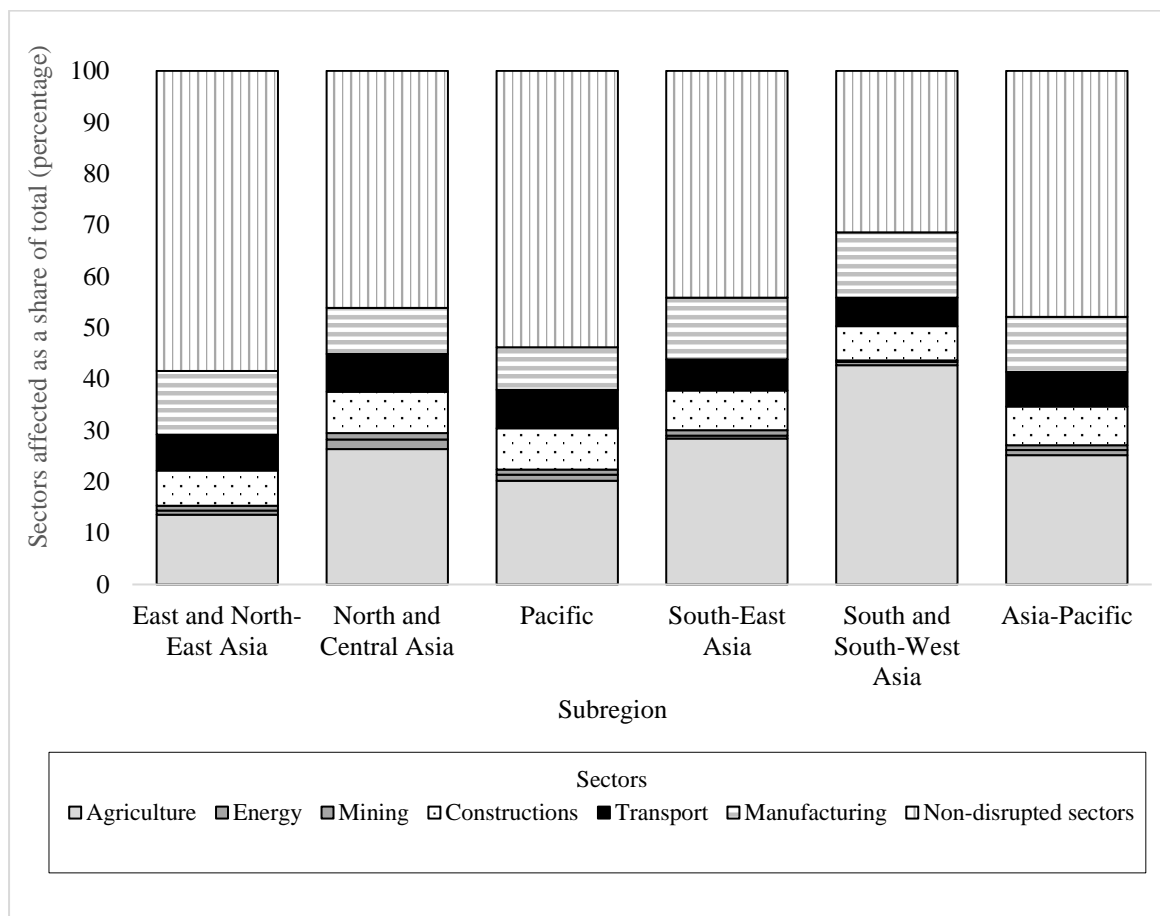
C. Climate change

13. The Asia-Pacific region is highly vulnerable to climate change and related emergencies due to its dependence on natural resources and agricultural sectors, densely populated coastal areas, weak institutions, lack of social protection and high poverty levels. Climate-induced weather events have become more frequent, intense and unpredictable. Eight of the 10 most disaster-prone countries in the world are in the region. Lacking comprehensive adaptation and mitigation measures, the region is more exposed to climate risks than any other part of the world.

14. As countries begin to green their economies by using sustainable agricultural practices or providing stronger incentives to businesses with circular business models, major shifts are expected in labour demand. The ability of the workforce to respond to these shifts will partly depend on education and skills. In most cases, the workforce is not prepared for the green transition.

15. About 52 per cent of the workforce is employed in the sectors that are most likely to be affected by the measures needed to support the green transition (figure III). For example, agriculture employs 43 per cent of the workforce in South and South-West Asia. A green transition in the agriculture sector could result in up to 100 million job losses in the region.

Figure III
Sectors to be disrupted by the green transition in Asia and the Pacific, by subregion and sector



Source: International Labour Organization (ILO), ILOSTAT. Available at <https://ilostat.ilo.org>.

Note: ILO modelled estimates in 2019 from 45 countries for employment by economic activity at annual frequency.

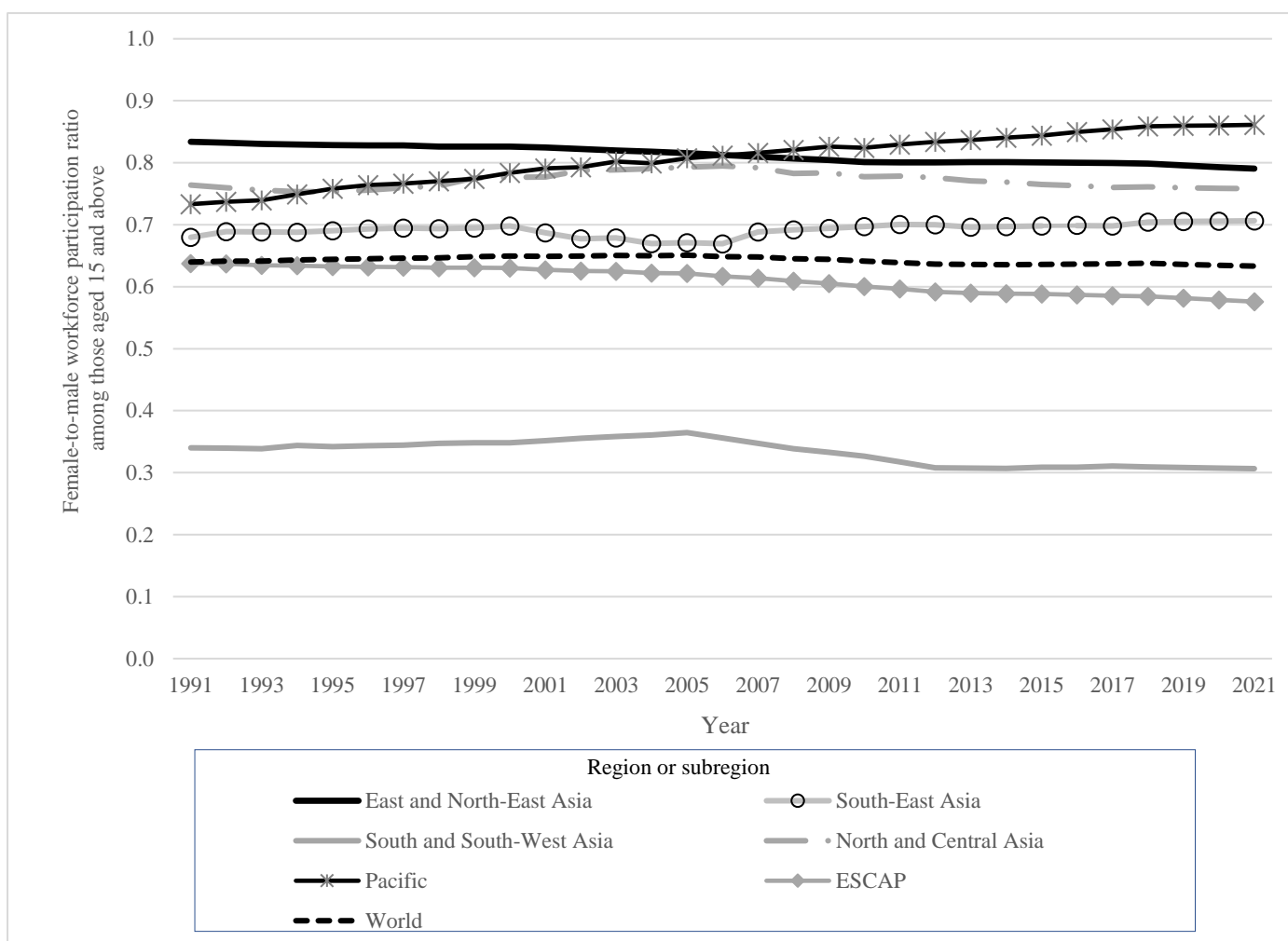
III. Current state of the workforce

16. Despite the advantages of decent work, the majority of the region’s workers lack decent employment opportunities, with women, young people, persons with disabilities and older persons being disproportionately affected. More than half of all people in the region lack social protection; almost one in five risk facing catastrophic out-of-pocket health expenditures; and, for many, inclusive and equitable quality education and lifelong learning opportunities are out of reach. As a result, while progress towards the Sustainable Development Goals has been made, it is expected that the workforce-related targets, in particular those under Goal 1 (No poverty), Goal 3 (Good health and well-being), Goal 4 (Quality education), and Goal 8 (Decent work and economic growth), will not be achieved by 2030.

17. Reversing these trends requires the full participation of working-age people in the labour force. The workforce drives the economic growth that generates trade in goods and services as well as tax revenues; contributes to the well-being of families and societies; and determines ultimately whether the region achieves the 2030 Agenda and any future development agenda.

18. In 2022, among those aged 15 years and above, the female labour force participation rate in Asia and the Pacific was 43.6 per cent, compared with 73.4 per cent for males. Rates of female labour force participation vary across the region. In the same year, the female labour force participation rate was 22.7 per cent in South and South-West Asia; 60.7 per cent in East and North-East Asia; and 57.9 per cent in the Pacific. Importantly, over the past three decades, there has been no improvement in closing the significant gender gap in the labour market, except in the Pacific (figure IV). Closing the gender gap in the labour force participation rate by 25 per cent could add as much as \$3.2 trillion to the overall Asia-Pacific gross domestic product (GDP).

Figure IV
Female-to-male labour force participation ratio among those aged 15 years and above in Asia and the Pacific, 1991–2021



Source: ESCAP calculations based on data from ILO, ILOSTAT. Available at <https://ilostat.ilo.org/data> (accessed on 10 December 2022).

19. Regarding the labour force participation of older persons, most Asia-Pacific countries have a statutory retirement age ranging from 55 to 65 years, which applies only to sectors covered by a pension scheme. Some countries have raised the retirement age over time, but it remains relatively low in others, and is often lower for women than it is for men. There are large disparities in income security, labour market access and sociocultural norms regarding overall labour force participation of older persons. In the region, for persons aged 65 to 75, labour force participation ranges from 1 per cent in

Uzbekistan to 72 per cent in Timor-Leste. According to official statistics, significantly more older men than older women work in the formal sector.

20. Among 21 Asia-Pacific countries and territories, labour force participation stood at 25.5 per cent for persons with disabilities and 64.5 per cent for persons without disabilities.³ In 13 of them, the labour force participation rate of persons without disabilities was more than twice that of those with disabilities, and in some cases, more than four or five times as high.

A. High rates of informal work breed vulnerability

21. Sixty-eight per cent of the labour force in Asia and the Pacific works in the informal sector, comprising 1.4 billion workers, of which 600 million are employed in the agricultural sector. The rate of informal work is highest in South and South-West Asia, where around 80 per cent of those with a job are employed informally.

22. Informal work covers a wide range of employment types and arrangements, including self-employment and non-standard forms of employment, such as temporary work, home-based work or platform work. As a result, half the region's workforce is surviving on less than \$5.50 per day.

23. Certain demographic and socioeconomic groups are more likely to work in the informal sector, such as those with lower levels of education, women, persons with disabilities, older persons, migrants and rural residents. The growth of the informal economy can be traced to inappropriate, ineffective, misguided or badly implemented macroeconomic and social policies.⁴ Lack of education and skills, discrimination, lack of legal status, resistance to compliance with licencing requirements, climate change and natural disasters are all factors that contribute to informal work.

24. Persons with disabilities, for example, are overrepresented in informal employment. Across 12 countries in Asia and the Pacific with data, the median percentage of adults with functional difficulties in informal work was 80.1 per cent, compared with 66.2 per cent of adults without functional difficulties. Many persons with disabilities are also older or female, compounding factors for vulnerability.⁵

25. Informality also has a gender bias. Approximately 64 per cent of women workers are employed in the informal sector, which leaves them with low-paying and highly vulnerable jobs and no social protection. Women in the informal economy work under unsafe conditions and are often at risk of sexual harassment. The higher female participation rate in the agricultural sector, known as the feminization of agriculture, has increased women's informal work and has placed greater importance on their role in securing food for their families and society.

³ *A Three-Decade Journey towards Inclusion: Assessing the State of Disability-Inclusive Development in Asia and the Pacific* (United Nations publication, 2022), p. 19.

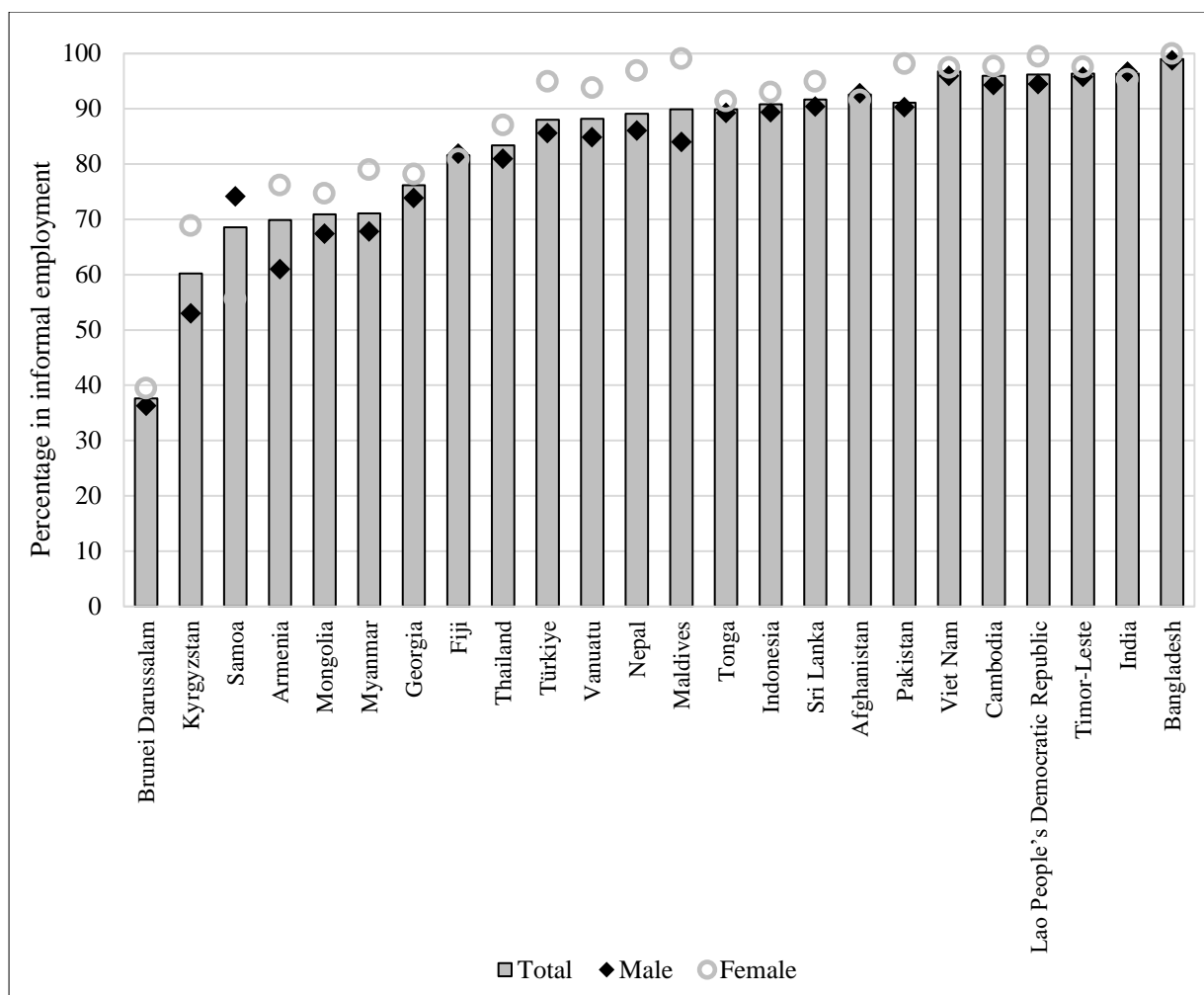
⁴ Resolution concerning decent work and the informal economy adopted by the ILO General Conference (2002).

⁵ Disability Data Initiative, results table for the theme "Work indicators". Available at <https://disabilitydata.ace.fordham.edu/result-tables/> (accessed on 3 April 2022).

26. Women and girls also spend a considerable amount of time in unpaid care and domestic work that is not accounted for in national accounts. Women’s unpaid care and domestic work determines the time they allocate to paid employment, which affects their overall social and economic situation. Rapid population ageing in the region has increased the burden on such women.

27. Household and employment survey data show that many older persons in Asia and the Pacific are still working, but mostly in the informal sector. For many, working is not a choice but a matter of survival. Moreover, the share of older women in the informal sector is often greater than the share of older men (figure V). A lifetime of gender-based disadvantage regarding education and paid work follows women into old age and increases their risk of working in the informal sector.

Figure V
Employment of the population aged 65 years or older in the informal sector of the economy as a percentage of total non-agricultural employment in selected Asia-Pacific countries, by sex, latest available year



Source: ILO, “Informal employment rate by age and sex”, ILOSTAT. Available at <https://ilostat ilo.org/data> (accessed on 15 August 2022).

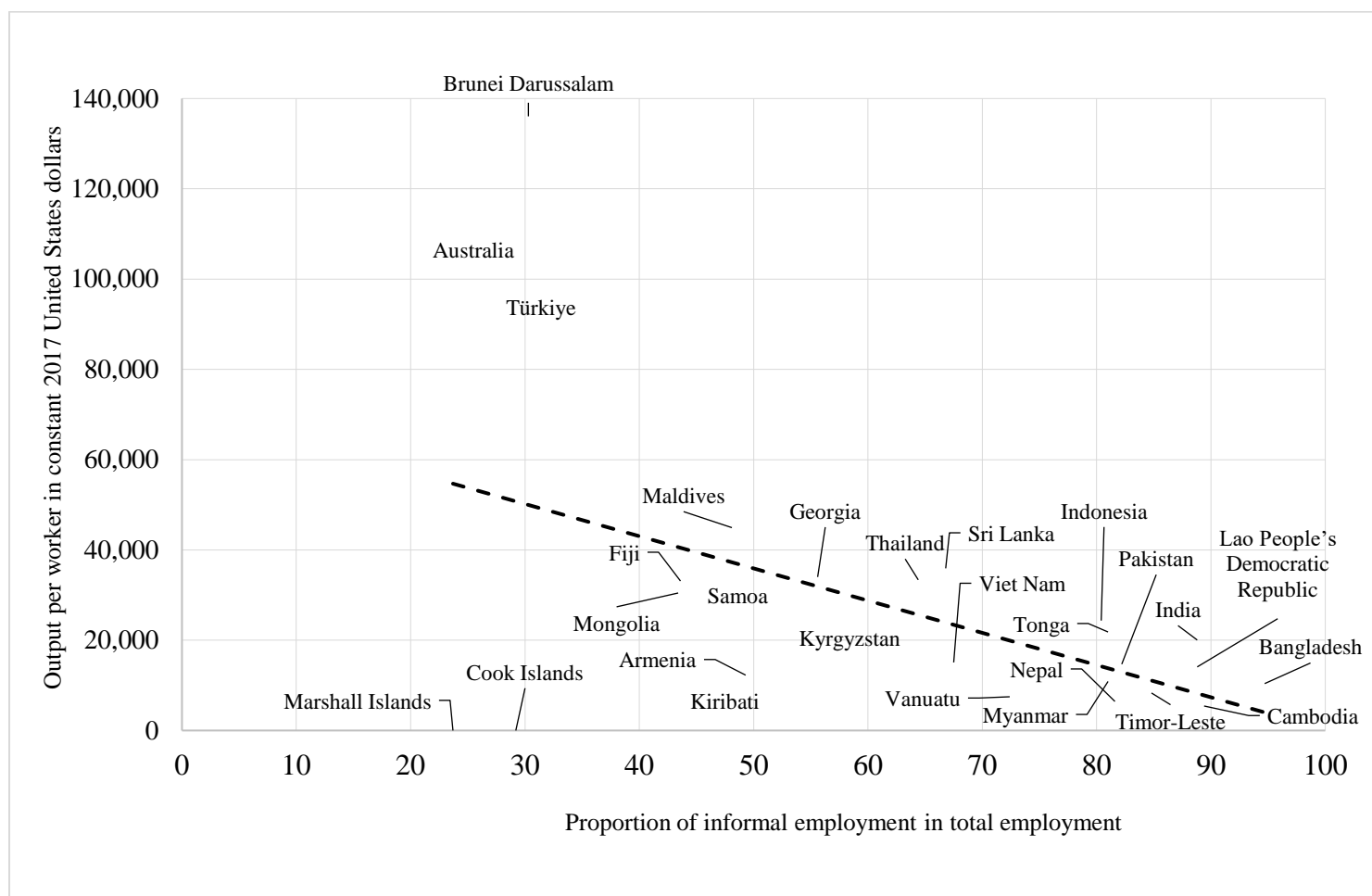
28. The large number of people in vulnerable situations poses a grave threat to the existing and future workforce. Based on data from 26 countries and territories in the region, the World Values Survey reveals, for example, that almost half of all people experienced a period without cash income at some stage during the 12 months prior to the COVID-19 pandemic. More than one quarter had gone hungry, and over one third had no access to necessary medicine or treatment. The situation was worse among the unemployed.

B. Labour productivity in the region lags behind the global average

29. Labour productivity in the region, as measured by output per hour worked, lags behind the global average and that of all other developing regions except Africa. This indicator measures progress towards Sustainable Development Goal target 8.2. An examination of the data available on 48 countries for the period 2015–2021 was undertaken with regard to annual labour productivity growth. During that period, growth increased by at least 2 per cent per year in 19 of those countries; decreased in 13; and remained unchanged in 16. East and North-East Asia saw the most growth. Many countries in the Pacific experienced negative growth. Shocks related to climate change are contributing to the reversal of previous gains.

30. There is a strong negative correlation between the share of informal employment and labour productivity (figure VI). In general, workers in the informal sector do not pay taxes or receive social protection. Informal businesses generally pay lower wages and do not train or retrain employees. Workers in the informal sector are generally less educated and less skilled, and there is little supervision. Owners of informal businesses manage their firms less efficiently than their formal sector counterparts.

Figure VI
Relationship between informality and labour productivity in Asia and the Pacific, latest available data



Source: ILO, ILOSTAT. Available at <https://ilostat.ilo.org/data> (accessed on 22 April 2022).

Note: There are 27 countries and territories in the Asia-Pacific region with available data. The latest year of available data for Sustainable Development Goal indicator 8.3.1 refers to the proportion of informal employment in total employment available for 2017–2021. Output per worker is measured by constant 2017 United States dollars at purchasing power parity. Both indicators are matched by year.

C. Worker access to health care remains insufficient

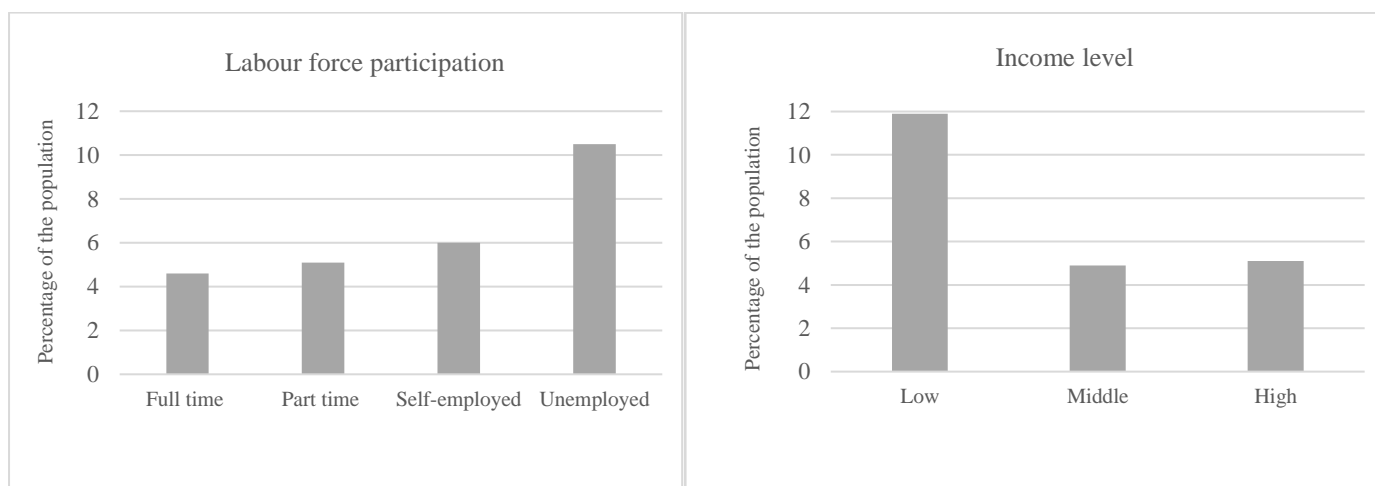
31. The COVID-19 pandemic has been an urgent reminder of the importance of universal health care. When the workforce is healthy and has access to health care, its well-being and productivity increases, which increases opportunities for workers and their households. Firms enjoy increased productivity, lower absenteeism, a larger pool of qualified jobseekers and higher levels of staff retention. As a result, Governments see higher output and tax revenues. However, when the need for health care is not met, there are serious consequences for individuals, families and society. Each year, the lack of affordable health care results in catastrophic health costs and out-of-pocket payments that push millions of households into poverty.

32. More than one third of the population in Asia and the Pacific is not protected by a health-care scheme. Moreover, close to 6 in 10 workers must finance their own health-care costs in times of illness. Lack of income protection means no salary during absences from work. Only one in five people

in the region have health insurance, financed privately or through contributions. With the exception of Central Asia, growth in universal health coverage slowed in all ESCAP subregions in the period 2010–2019 compared with 1990–2010. It is estimated that, by 2023, nearly one third of the global population without universal health coverage will reside in South Asia. Countries with a growing share of older persons and high out-of-pocket expenditures are particularly challenged because health-care expenses increase with age. Older women or older persons with disabilities could experience especially high out-of-pocket expenditures.

33. Poor health continues to deepen workforce inequalities, as confirmed by recent subjective health status data. Poor health is less common among full-time employees than part-time or self-employed workers, while the unemployed report the highest levels of poor health (figure VII). Income status is also a major factor determining health deficits. On average, 12 per cent of lower-income earners in the region report poor health, compared with 5 per cent of higher-income individuals.

Figure VII
Share of the population aged 15 years and above in the Asia-Pacific region with poor health, by employment status and level of income



Source: World Values Survey wave 7 (2017–2022). Available at www.worldvaluessurvey.org/ (accessed on 20 January 2022).

Note: Weighted results from 27 countries and territories in Asia and the Pacific directly obtained from the World Values Survey interactive tool. Figures exclude those reporting “do not know” or “no answer”. Poor and very poor health are combined. Full-time employment assumes at least 30 hours of work per week. Income status and highest level of education is recorded as per World Values Survey guidelines.

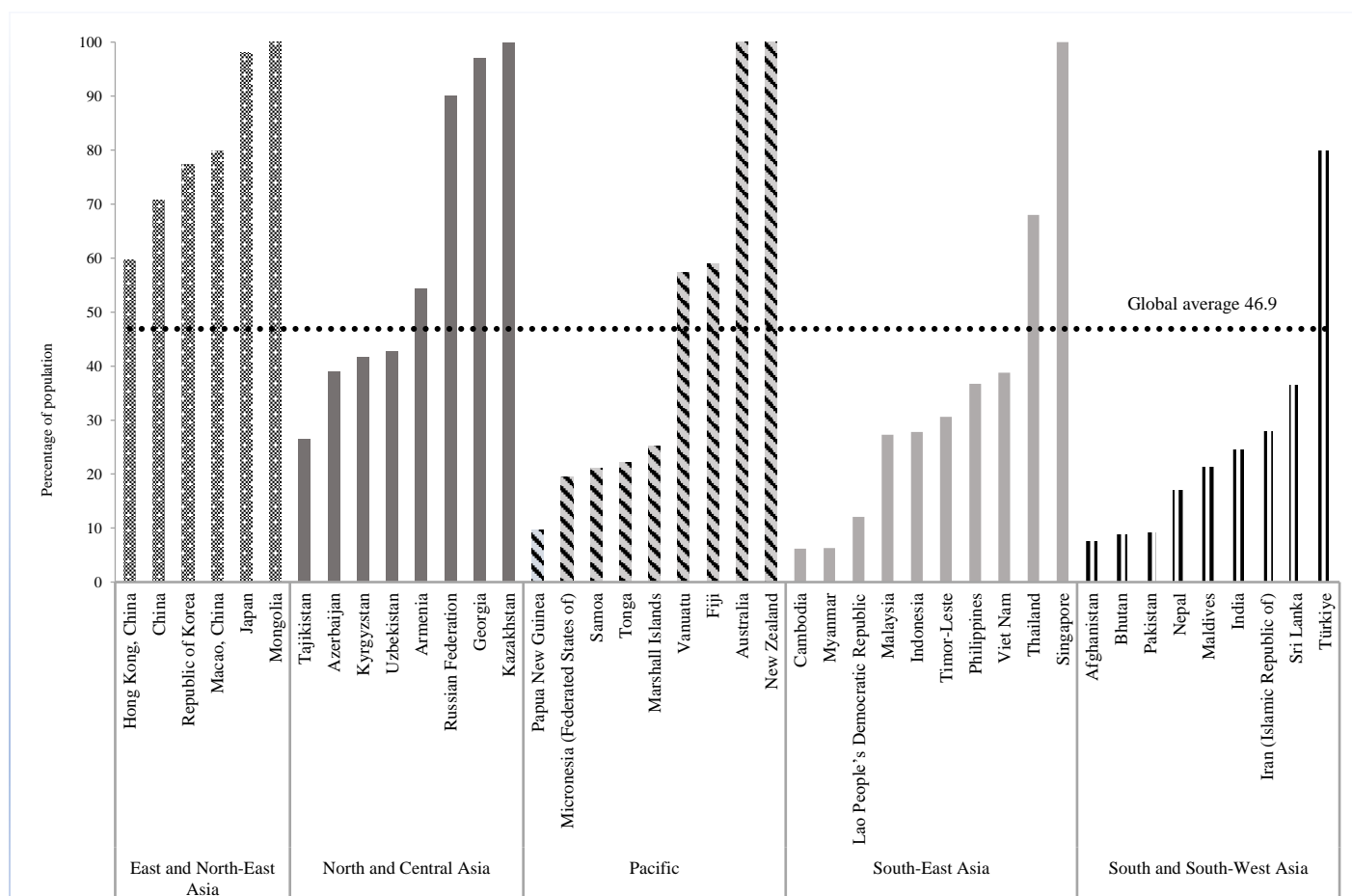
34. Low levels of decent employment in Asia and the Pacific lead to low levels of occupational safety and health. Globally, 2.9 million workers die every year because of preventable accidents and diseases; in 2016, 1.9 million deaths were attributed to only 19 occupational risk factors. Asia and the Pacific accounted for 1.2 million of those deaths. Persons working in the informal sector are at an elevated risk of fatal and non-fatal occupational injuries. Deficits in occupational safety and health affect the productivity of the workforce.

D. Social protection remains insufficient

35. An increase in the number and quality of jobs and access to universal social protection are needed to realize the full potential of the workforce. A lack of regular and stable income mires workers in poverty and vulnerability and compromises their potential. Access to social protection is a human right and, when carefully designed, allows labour markets to generate productive and decent employment. Social protection can help with interruptions to work and income caused by life events such as having a child, losing a job or becoming sick. It can also mitigate economic downturns and megatrends, such as climate change-related disasters, population ageing and digitalization.

36. Less than half of the population in the region has access to at least one social protection scheme (figure VIII). If China is excluded, that figure falls to one third of the region's population. Depending on the social protection contingency, however, that figure varies. Old age is the only contingency in which most of the population is covered. The rate of coverage for children, and for those affected by unemployment, employment injury or severe disability is below one third; coverage for maternity benefits is slightly higher. Similarly, only about one in five vulnerable persons – defined as those neither contributing to, nor benefiting from, contributory schemes – are receiving some form of a non-contributory benefit. For example, available data indicate that only about one in five persons with severe disabilities receive cash benefits. Significant underinvestment in social protection, an absence of schemes and high labour-market informality are the key reasons for the social protection deficit. When schemes do exist, benefit levels are often too low to have a real impact.

Figure VIII
Share of population covered by at least one social protection scheme, latest year available



Source: ILO, World Social Protection Database. Available at www.social-protection.org/gimi/WSPDB.action?id=32 (accessed on 5 May 2022).

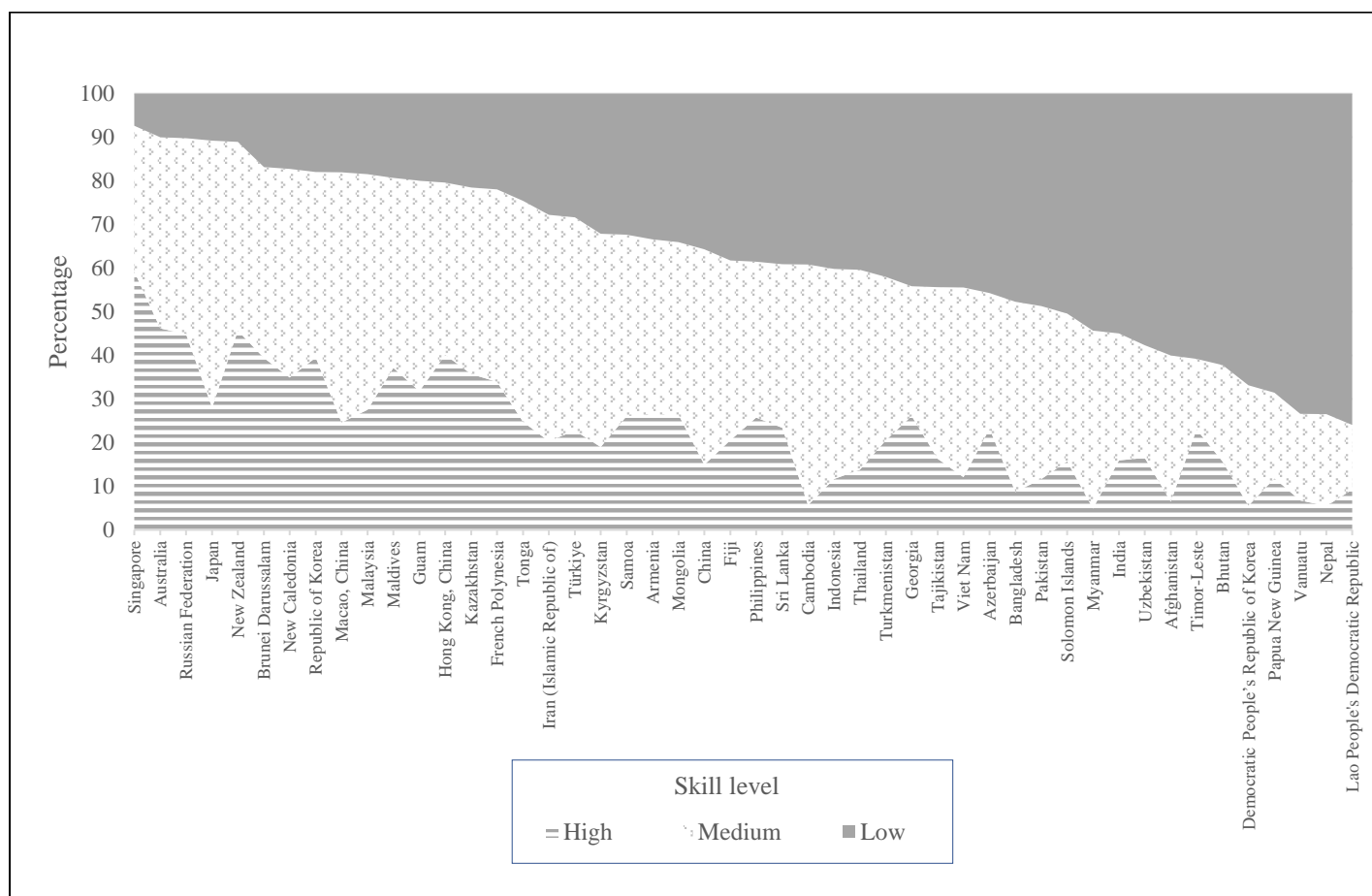
Note: Data are available for 42 countries across Asia and the Pacific on percentage of population (population-weighted averages), latest available year grouped by ESCAP subregional classification.

37. The COVID-19 pandemic exposed structural challenges and gaps in social protection. The unprecedented decline in working hours and increase in layoffs disproportionately affected workers in the informal sector, in particular women, persons with disabilities and migrants. Women were also overrepresented in hard-hit service sectors, comprising most unpaid family workers, and other undervalued jobs. Migrant workers were often laid off, and were stranded in countries of origin, destination and transit due to lockdowns and travel restrictions. Ineligible for government support and lacking the means for survival, migrants resorted to dangerous migration routes and became victims of trafficking in persons and smuggling.

E. Education, skills acquisition and lifelong learning remain a distant goal for many workers

38. The attainment of a lower level of education and an abundance of lower- and middle-skill jobs pose challenges for those seeking decent work. Currently, most of those employed in the region's low- and lower-middle-income developing countries are in occupations with lower levels of education, skills and specialization (figure IX).

Figure IX
Share of total employment by level of skill of the workforce in Asia and the Pacific, 2020



Source: ESCAP calculations based on ILO modelled estimates from 2020. Available at <https://ilostat.ilo.org> (accessed on 19 May 2022).

Note: According to ILO, employment comprises all persons of working age who during a specified brief period, such as one week or one day, were engaged in any activity to produce goods or provide services for pay or profit, irrespective of formality. Following the International Standard Classification of Occupations, occupations such as managers, professionals, technicians and associate professions are categorized under broad skills levels three and four (high). Occupations such as clerical support workers, service and sales workers, skilled agricultural, forestry and fishery workers, craft and related tradespeople, plant and machine operators and assemblers are categorized under broad skill level two (medium). Elementary occupations are categorized under broad skill level one (low).

39. Over three quarters of agricultural workers have at most a basic level of education, which can be a barrier to acquiring green technology skills. Without targeted policies and support systems, it will be difficult for the region to make the required green transformation in agriculture, leaving a quarter of the region’s workforce in a precarious situation.

40. As jobs are created and phased out across sectors, it is imperative to reduce skill mismatches by anticipating and monitoring future labour market demands. Most countries have inadequate training despite having many low-skilled workers, which is particularly true of female workers in South Asia. Remedying this is important given that, in many countries in the region, more than 20 per cent of those in employment are engaged in low-skilled occupations, often in the informal economy. Skills development is also

important for addressing the demands of evolving economies and technologies in the context of globalization.

41. In the light of a shrinking workforce, it is important that women, persons with disabilities and older persons have opportunities to effectively participate in the labour market. Reskilling and retraining, including in digital skills, can help these populations to remain active and to engage in decent work for as long as they want and are able to do so. The experience and know-how of older persons contribute to intergenerational learning and solidarity. Discrimination directed at any group in the workforce, whether due to age, gender, disability or other characteristic, must be abolished.

IV. Investments needed to create a healthy, protected and productive workforce

42. The year 2023 marks the midpoint in the implementation of the 2030 Agenda. Despite much progress, Asia and the Pacific is unlikely to reach any of the 17 Sustainable Development Goals. This will leave many people in the region behind and have a lasting negative impact on future population cohorts and the overall fabric of society. This milestone comes at a time when all countries are experiencing increased transformative changes due to climate change, population ageing and digitalization, which will all have profound implications for the existing and future workforce as well as overall economic growth and development. Investments in the social sector are therefore needed to create a healthy, protected and productive workforce.

43. Universal health coverage is a long-term investment in health, human capital and productivity. Responsive social protection schemes will strengthen resilience, enabling the workforce to cope with systemic shocks and megatrends. Access to education and lifelong learning results in higher productivity, better job prospects and an increased chance to break patterns of poverty and vulnerability. It also ensures that the future workforce obtains relevant knowledge and skills to support the green transition. It is through well-functioning labour markets that the benefits of economic growth can spread to all.

44. This cannot be achieved without societies uniting around a common agenda, an agenda of action designed to accelerate the implementation of existing agreements, including the 2030 Agenda. By investing in policy areas critical for the workforce, both now and in the future, countries can strengthen solidarity within and across population groups and rebuild trust, thereby helping to fast-track the implementation of the 2030 Agenda and any future development agenda.

45. By implementing policies anchored in human rights and by adopting a comprehensive vision of people-centred development, countries can accelerate the virtuous cycle of trust and solidarity among peoples, as well as between people and their governments, which in turn supplies a solid foundation for inclusive and comprehensive policies that leave no one behind.

A. Decent work for all

46. Decent work entails equality of opportunity and treatment at work, dignity and safety in the workplace and a fair income, and it affords workers the freedom to organize and participate in decisions related to their work and lives. It provides workers with access to social protection and health care, thereby ensuring that negative coping strategies, such as reducing food intake

and selling productive assets, are avoided in the event of job loss or sickness. Decent work is necessary to ensure an adequate standard of living, reduce poverty and inequality, protect people over the life cycle and promote inclusive growth.

47. Decent work also increases the purchasing power of workers and their families and supports the growth of local economies. It further generates tax revenues needed to pay for essential public goods and services and ensures the well-being of all. Investment in decent jobs that provide access to health care, education, training and social protection is a priority that can improve trust and solidarity and reset the social contract in Asia and the Pacific.

48. Given that the average age of workers is projected to rise, it is important to eliminate age-related discrimination, including age barriers in employment, create age-friendly and safe work environments, and introduce flexibility regarding retirement ages and overall work arrangements, as a means of reducing inequality, increasing productivity and promoting inclusive economies. Governments should offer incentives, such as tax reductions and grants, to companies that hire and retain older workers.⁶ Moreover, the strengthening of intergenerational workforces can alleviate associated fiscal pressures on health and pension systems and contribute to sustained and more inclusive economic growth.⁷ Through succession planning, younger workers will benefit from the transfer of knowledge, mentoring and on-the-job training provided by older co-workers.

49. Accelerating gender equality in the labour market by removing barriers to female participation and adopting family-friendly policies will help to sustain higher levels of economic activity and well-being. In order to promote employment and decent work for women, policies should offer support for child-rearing, offer parental benefits and encourage part-time work.

50. A global transition towards a greener economy and the adoption of digital technologies will help to create opportunities for the region's population, but it will require preparation and inclusive policies. The provision of adequate support for existing and future workers is needed to prepare them for a changing job market. Emerging and frontier technologies often benefit highly skilled workers while hurting low- and middle-skilled workers. A modern and relevant education system combined with active labour market policies can facilitate the upgrading of skills and the continued participation of all workers in full health.

51. As mentioned earlier, the workforce in Asia and the Pacific is projected to decline by the mid-2030s. In some countries and areas, the change is projected to occur earlier. As this new challenge is faced, the call for labour migration and pronatalist policies to offset labour shortages has become louder across the region. However, studies have shown that reversing long-term trends in fertility decline (and eventual population decline) would require unprecedented and ultimately unrealistic increases in fertility and migration

⁶ ESCAP, "Promoting decent work opportunities for older persons in the Asia-Pacific region in the context of the fourth industrial revolution", Policy Brief, No. 2/2022 (Bangkok, 2022).

⁷ *World Social Report 2023: Leaving No One Behind in an Ageing World* (United Nations publication, 2023).

over the course of decades.⁸ Countries should facilitate labour migration based on the principles of fair and ethical recruitment and safeguards for decent work while respecting the rights of migrant workers and their families. Labour migration programmes can complement other policies that address changes in the labour market and the economy in the light of a slowdown in population growth and eventual decline, but they cannot reverse long-term demographic trends.

B. Universal health coverage

52. Recent simulation results suggest that additional investments in health would increase GDP per capita and significantly decrease poverty in lower-income countries. Studies have linked good health to positive economic growth, including in South Asian countries.

53. Universal health coverage shields the workforce from financial hardship due to individual health emergencies and global health shocks. Social health protection is the main demand-side policy instrument that can help countries progress towards universal health coverage. As part of a rights-based approach, social health protection provides all people, irrespective of whether they work or not, with effective access to quality health care without financial hardship. It also provides income security to compensate for the loss of earnings due to sickness. It can therefore improve worker health and well-being and reduce the number of premature deaths.

54. Legal health coverage does not always mean effective health coverage. With regard to universal health coverage, the average service coverage index (Sustainable Development Goal indicator 3.8.1) for the region stands at 64 – with 0 indicating no coverage and 100 indicating universal coverage. However, that value ranges from 33 in Afghanistan to 86 in Australia. Countries with values below the regional average are largely found in South and South-West Asia and South-East Asia.

55. Asia and the Pacific spends less per capita on health than other regions. The latest estimates from the World Health Organization show that, in 2017, over 50 million people in the region were pushed into extreme poverty, and over 90 million into moderate poverty, by out-of-pocket health expenditures.

56. ESCAP estimates that, over the past two decades, the average annual growth rate in the service coverage index for universal health coverage in the region was 2 per cent; the maximum, recorded in China, was 6 per cent. In most countries in Asia and the Pacific, however, such growth is not sufficient to ensure universal coverage by 2030.

57. It is therefore vital that countries in the region prioritize the expansion of universal health coverage and integrate it into comprehensive social protection systems. Universal health coverage must be made available to all people over the entire course of their lifetime. This forward-looking approach ensures that all children and young people can access basic health care while building their human capital, improving their health and well-being into later

⁸ Wan He and others, *Asia Ageing: Demographic, Economic, and Health Transitions*, United States of America Census Bureau, International Population Reports, Series P95/22-1 (Washington, D.C., United States of America Government Printing Office, 2022); and *Replacement Migration: Is it a Solution to Declining and Ageing Populations?* (United Nations publication, 2001).

life, thus assisting in healthy ageing and increasing worker productivity over the longer term.

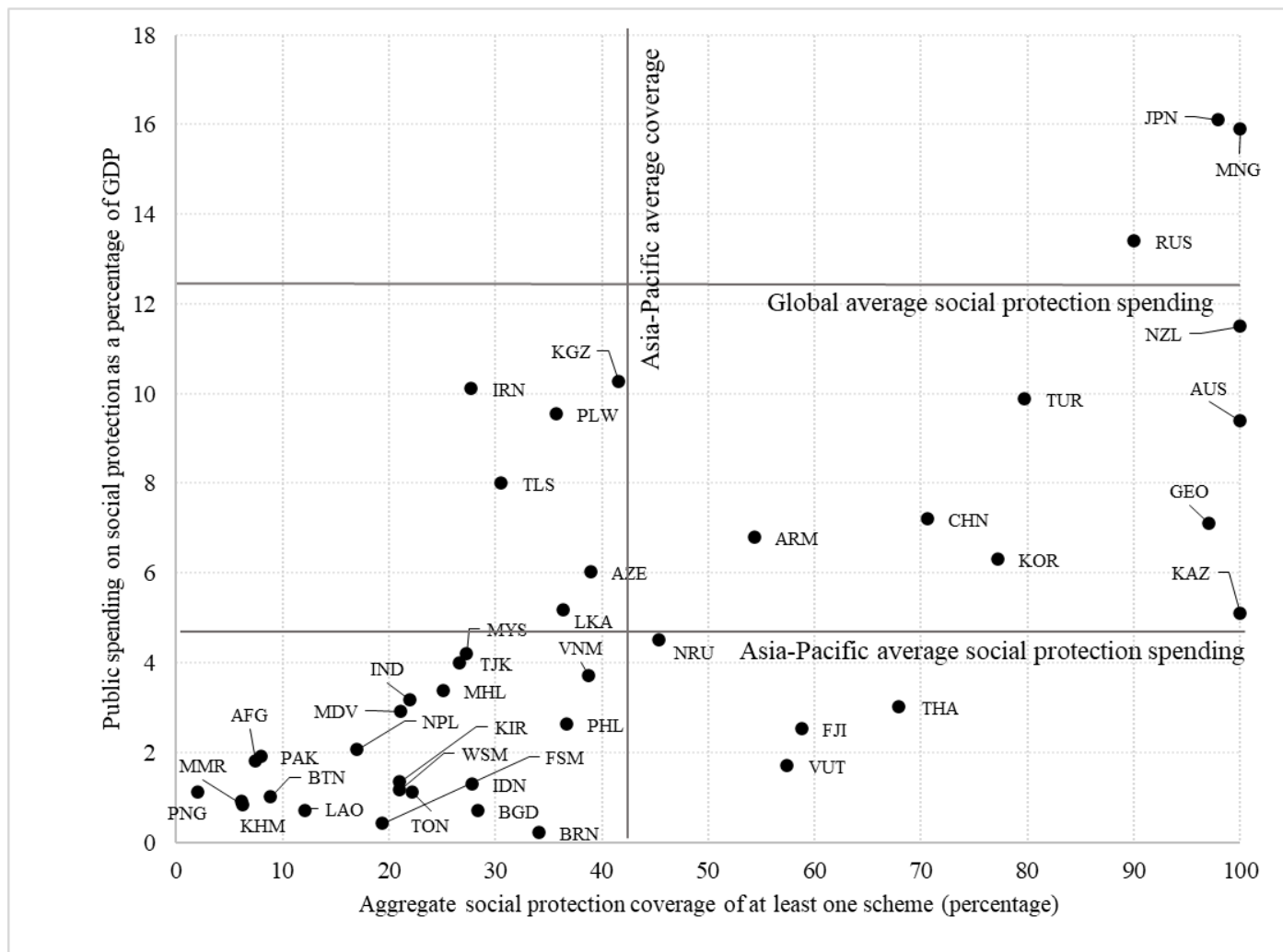
C. Access to social protection for all

58. Policymakers have yet to prioritize universal social protection. Public expenditures on these schemes are relatively low compared with most other regions, but with variations across countries. Countries invest on average 4.9 per cent of their GDP on social protection, excluding health, which is significantly less than the global average (12.9 per cent) and roughly half the amount invested by Latin America (9.7 per cent).

59. In most countries, low social protection coverage is associated with low levels of investment (figure X). Countries in the upper right-hand section of the figure are the region's high performers. Countries in the middle-right section are partly performing well. Generally, coverage rates that are above the regional average and above the 50 per cent mark are on track, meaning that the majority of people are covered by social protection. These countries spend more than the regional average, but less than the global average. Countries in the lower right-hand section are also on the right trajectory, but the level of overall spending on social protection is low, equivalent to about one quarter of the global average. This indicates that many benefit levels may be too low to have the desired impact.

60. Countries in the middle left-hand section of the figure are on the right trajectory in terms of investment in social protection. They spend more than the regional average, but coverage levels are low, even compared with the relatively low regional average of 46 per cent. These countries need to extend coverage by expanding existing schemes and introducing new schemes for the contingencies that lack existing coverage. The remaining 21 countries, in the lower left-hand section, have low levels of spending and coverage. Many of these countries are low-income economies with a large informal workforce and significantly fewer basic opportunities. Several have suffered resource depletion due to conflicts and natural disasters. These countries must gather political will and public support while rapidly extending non-contributory schemes to close existing gaps. Priority should be given to universal schemes covering health care, maternity, children, disability and old age.

Figure X
Coverage and spending on social protection in Asia and the Pacific, latest available data



Source: ILO, World Social Protection Database. Available at www.social-protection.org/gimi/WSPDB.action?id=19 (accessed on 5 May 2022).

Note: The country abbreviations are as follows: AFG, Afghanistan; ARM, Armenia; AUS, Australia; AZE, Azerbaijan; BGD, Bangladesh; BRN, Brunei Darussalam; BTN, Bhutan; CHN, China; FJI, Fiji; FSM, Micronesia (Federated States of); GEO, Georgia; IDN, Indonesia; IND, India; IRN, Iran (Islamic Republic of); JPN, Japan; KAZ, Kazakhstan; KGZ, Kyrgyzstan; KHM, Cambodia; KIR, Kiribati; KOR, Republic of Korea; LAO, Lao People’s Democratic Republic; LKA, Sri Lanka; MDV, Maldives; MHL, Marshall Islands; MMR, Myanmar; MNG, Mongolia; MYA, Malaysia; NPL, Nepal; NRU, Nauru; NZL, New Zealand; PAK, Pakistan; PHL, Philippines; PLW, Palau; PNG, Papua New Guinea; RUS, Russian Federation; THA, Thailand; TJK, Tajikistan; TLS, Timor-Leste; TON, Tonga; TUR, Türkiye; VNM, Viet Nam; VUT, Vanuatu; and WSM, Samoa.

61. In many countries of the region, social protection is treated as a marginal area of public policy. For social protection to fulfil its potential and support more inclusive, resilient and sustainable socioeconomic development, existing structures and systems need to be improved. This could be achieved by a renewed social contract that strengthens public trust in the ability and commitment of governments to extend social protection, with the private sector and working-age population contributing to it.

62. When there is political will to do so, increasing investments in social protection can often be achieved with existing government resources. Contrary to common assumptions, the cost of a comprehensive social protection system is affordable, ranging from 2 per cent to 6.1 per cent of GDP, depending on the size of the benefits, the country's ambition, its demographic situation and other variables.

63. The ESCAP social protection simulation tool was used to estimate the costs of reducing the proportion of the population living in poverty by at least half by 2030, according to national definitions (Sustainable Development Goal target 1.2). The costs would range from 2.5 per cent of GDP in Indonesia to less than 8 per cent in Nepal, far below the global average of public expenditure on social protection, which stands at 12.9 per cent of GDP.

D. Upgrading of skills among workers and management of human resources

64. A green transition and digitalization require more than just environmental policies and access to the Internet. It is also necessary to reskill and upskill the workforce. Relevant, inclusive and high-quality education, lifelong learning opportunities and active labour market policies can increase the productivity of the existing and future workforce, while also serving to support diversification into alternative jobs. These measures are equally important for the region's rapid demographic transition, in order to ensure that older workers can prolong their working lives and fully participate in society.

65. However, given the region's large share of low-skilled workers, most countries spend too little on training, particularly for female workers in South Asia. Expanding support for training is particularly important given that, in many countries, more than 20 per cent of the employed population is engaged in low-skilled work, often in the informal economy.

66. Active labour market policies contribute to the building of skills of those outside the formal or vocational education system. Developing well-functioning active labour market policies, in combination with higher education and social protection systems, is key to the continuous upgrading of worker skills and the improvement of job-matching mechanisms. Technical and vocational training and lifelong learning also play important roles.

67. Because the skills needed in the labour market are evolving and becoming more specialized than those currently taught in general education systems or active labour market policies, it is necessary to modernize educational systems and curricula to meet future labour market demands.

68. Technological innovation and digital transformation have brought both challenges and opportunities. While many low-skilled jobs have been displaced, new jobs and assistive technologies have also been created, increasing employment opportunities. In order to avoid excluding certain population groups from increasingly digitalized societies, it is important to strengthen their digital skills and enhance the accessibility and affordability of ICTs. Doing so can contribute to higher levels of employment and to entrepreneurship and may enable people to engage in telework, e-commerce and distance learning. Moreover, the rise of the gig economy, especially digital gig work, has the potential to reduce discriminatory barriers in the labour market and provide flexibility in terms of time and location.

69. However, the green and digital economies do not automatically create decent jobs. Indeed, most jobs created by application-based platforms are informal and non-standard forms of work, including the jobs of taxi drivers or delivery personnel. Additional efforts are needed to ensure that workers in the digital economy have access to employment benefits and protections.

70. The care economy is on the rise in Asia and the Pacific. When compared with other regions, the amount of time that women in Asia and the Pacific spend in paid and unpaid care and domestic work continues to be the highest in the world. Around 53 per cent of the 770 million women of working age stay out of the labour force, citing unpaid care responsibilities as one of the main reasons for doing so. In contrast, only 8 per cent of men stay out of the labour force for the same reason.

71. The COVID-19 pandemic, population ageing and climate change have underlined the centrality of care and its impact on women's time and participation in the market economy. Government investments are needed to respond to the growing demand for infrastructure and services to care for older persons and children and to free up women's time to pursue the education and training they want and need to fully participate in the labour market. Investing in the care economy will boost gender equality, promote decent work and address the disparities in time allocation between market and non-market activities. Governments must also recognize the value of caregiving for society, ensure that it is included in national accounts and promote the equal sharing of care responsibilities between men and women as well as between households and the State.

72. The growing number of older persons in the region offers an opportunity to harness skills and experience. Moreover, intergenerational learning creates trust and solidarity. At the same time, lifelong learning as well as reskilling and retraining will help address labour shortages and promote economic growth. Good practices from across the region show that programmes supporting older persons in learning digital skills benefit them both professionally and socially.

V. Work on social development with a focus on the future of work

A. Norm-setting documents that guide policymaking

73. In response to the above-mentioned developments, ESCAP member States have adopted several norm-setting documents that are aimed at creating more inclusive, equitable and just societies that protect and empower people and that leave no one behind. These documents are grounded in the Universal Declaration of Human Rights, international human rights treaties, the 2030 Agenda and other outcomes of major United Nations conferences and summits, and they are useful in helping to guide policymaking in the region.

74. For example, the Action Plan to Strengthen Regional Cooperation on Social Protection in Asia and the Pacific promotes partnerships and peer learning and identifies needs for capacity development. Social protection was also highlighted as a regional priority in the Bangkok Declaration Commemorating the Seventy-fifth Anniversary of the Economic and Social Commission for Asia and the Pacific: a Common Agenda to Advance Sustainable Development in Asia and the Pacific, adopted by ESCAP in its resolution 78/1, and in ESCAP resolution 77/1, on building back better from crises through regional cooperation in Asia and the Pacific. The Action Plan

sets out 12 national actions that underpin the achievement of more inclusive and comprehensive social protection systems.

75. In the Asia-Pacific Declaration on Advancing Gender Equality and Women's Empowerment: Beijing+25 Review, members and associate members of ESCAP highlighted the urgent need to address the burden on women caused by the unequal share of unpaid care work, and scale up efforts to enhance women's access to decent work, social protection and quality childcare services.

76. Adopted in 2012, the Incheon Strategy to "Make the Right Real" for Persons with Disabilities in Asia and the Pacific comprises the world's first set of regionally agreed-upon disability-specific development goals. Goal 1 of the Incheon Strategy is to reduce poverty and enhance work and employment prospects for persons with disabilities. In the Beijing Declaration, including the Action Plan to Accelerate the Implementation of the Incheon Strategy, Governments are called upon to develop and implement schemes that promote the employment of persons with disabilities and increase their opportunities with respect to livelihood, decent work and entrepreneurship. In the Jakarta Declaration on the Asian and Pacific Decade of Persons with Disabilities, 2023–2032, the centrality of disability-inclusive development is highlighted and the potential of technological innovation and digital transformation is acknowledged.

77. In the outcome document of the Fourth Review and Appraisal of the Madrid International Plan of Action on Ageing in Asia and the Pacific, held in 2022, member States were called upon to promote the right to work of older persons by providing them with access to full and productive employment and decent work under healthy, flexible and age-friendly conditions, ensuring life-long learning through training, retraining and skills development, in particular in the light of increased digitalization, and were also called upon to combat all forms of discrimination, inequalities and ageism directed at older persons. It was also recognized that older persons could play a positive role in climate action, based on their traditional knowledge and experience, by sharing experiences in disaster risk reduction and management, post-conflict recovery, climate mitigation and adaptation.⁹

78. In the Asian and Pacific Ministerial Declaration on Population and Development, the priority actions identified included increasing access to decent and productive employment and promoting entrepreneurship and ensuring a people-centred approach to sustainable development. At the Asia-Pacific Regional Review of Implementation of the Global Compact for Safe, Orderly and Regular Migration, held in 2021, calls were made for safe, orderly and regular migration and for partnerships and international cooperation to protect migrant workers.¹⁰

B. Capacity-building, tools and knowledge products

79. Guided by the norm-setting documents and considering the megatrends described earlier, ESCAP has developed tools and knowledge products and offers capacity-building assistance to create more inclusive, equitable and just societies. For example, in accordance with the Action Plan to Strengthen Regional Cooperation on Social Protection in Asia and the Pacific, ESCAP facilitates peer learning among member States and assists them in assessing

⁹ ESCAP/MIPAA/IGM.3/2022/3/Add.1.

¹⁰ ESCAP/77/27, annex II.

their readiness to implement the Action Plan. Such activities are currently ongoing in Maldives, Mongolia and the Philippines.

80. Furthermore, ESCAP has developed a social protection online tool¹¹ that includes a microsimulation tool on social protection. The simulator draws on household income and expenditure surveys and provides estimated outcomes on coverage, poverty, consumption, inequality and cost. The results are useful for policymakers and in the preparation of voluntary national reviews, United Nations common country analyses and other policy reports; they can also be used to inform the activities of the United Nations Capital Development Fund. The simulator is currently available for use in 23 countries and territories in Asia and the Pacific.

81. ESCAP also works to promote investments in the care economy, including in Cambodia, China, Indonesia and the Philippines. ESCAP has developed case studies that inform the development and implementation of action plans. Cambodia is expected to adopt a national strategy and action plan next year. ESCAP has also produced a series of knowledge products to promote and improve legislation, policy and national care systems. Several recent ESCAP publications on the care economy contain an analysis of gender inequality and unpaid care work as well as policy recommendations.¹² In a policy paper on female labour force participation and the care economy in Asia and the Pacific, the ESCAP gender-responsive and care-sensitive framework is applied to promote women's economic empowerment.¹³

82. Following the adoption of the outcome document of the Asia-Pacific Intergovernmental Meeting on the Fourth Review and Appraisal of the Madrid International Plan of Action on Ageing, ESCAP supported the Lao People's Democratic Republic and Maldives in developing and revising national policies and action plans for older persons. ESCAP also supported member States in assessing the situation of older persons, in particular in Bhutan, Cambodia, Kyrgyzstan, Malaysia and Mongolia. In collaboration with partners, ESCAP is to implement a project in the Lao People's Democratic Republic, Maldives, the Philippines and Viet Nam on national transfer accounts and national inclusion accounts. This work will contribute to improved understanding of how population growth and changing population-age structures influence economic growth, gender and generational equity, and public finances.

83. ESCAP has also developed a repository of policies, a dashboard containing the most up-to-date data, a population data sheet, an interactive e-learning course and numerous educational videos to guide policymaking on population ageing.¹⁴ ESCAP has also issued several reports on different aspects of this topic, including a 2022 report on population ageing, which contains an up-to-date overview of levels and trends in population ageing and the situation

¹¹ See <https://spot.unescap.org/>.

¹² *COVID-19 and the Unpaid Care Economy in Asia and the Pacific* (United Nations publication, 2021); *Addressing Unpaid Care Work in ASEAN* (United Nations publication, 2021); and *How to Invest in the Care Economy: a Primer* (United Nations publication, 2023).

¹³ ESCAP, "Female labour force participation and the care economy in Asia and the Pacific" (December 2022).

¹⁴ See www.population-trends-asiapacific.org/.

of older persons. It also includes policies and good practices on population ageing from across the region.¹⁵

84. ESCAP is providing support to make accurate disability assessments, enhance disability-inclusive employment policies and mainstream disability perspectives into national development planning. It has also developed a series of knowledge products to inform disability-inclusive policymaking and programming as well as ways to enhance disability-inclusive procurement. Analytical work to support disability-inclusive procurement, including preferential contracting and universal design, has been carried out to support member States.

VI. Issues for consideration by the Commission

85. The Commission may wish to reflect on the issues raised in the present document, which are linked to the transformative changes resulting from the demographic shifts, rapid digitalization and climate change that are affecting the workforce and overall social and economic development. While these megatrends cannot be controlled entirely, they can be addressed through the application of consistent, forward-looking policies that create more inclusive, equitable and just societies aimed at protecting and empowering people and leaving no one behind.

86. In the light of the forthcoming United Nations discussions on a future development agenda, the Commission may also wish to provide guidance to the secretariat on priority areas of work to further support members and associate members in applying strategic foresight to respond to these transformative changes in their national, subregional and regional contexts.

¹⁵ *Asia-Pacific Report on Population Ageing 2022: Trends, Policies and Good Practices Regarding Older Persons and Population Ageing* (United Nations publication, 2022).