



The Future of Work in Asia: Skills development strategies and social protection policies to promote employment-rich and equitable growth

Project summary sheet

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Aprender تعلم Learn учить Apprendere Aprender 学习 Imparare Learn تعلم
 Comprendre 理解 Understand понимать Comprendre فهم Understand Capire
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Introduction

China's 13th Five Year Plan (2016-2020) emphasizes China's commitment to the United Nations' 2030 Sustainable Development Agenda and to support developing countries in the areas of human resources, development planning and programmes, including through South-South Development Partnerships. As part of this commitment, the Ministry of Human Resources and Social Security (MOHRSS) has established a South-South Triangular Cooperation (SSTC) framework with ILO which combines a wide range of technical initiatives in the field of employment promotion and social protection: examples for technical initiatives successfully implemented by MOHRSS and ILO in the recent past are the ILO/China South-South Cooperation to Expand Employment Services and Enhance Labour Market Information in Cambodia and Lao PDR, and two regional conferences on social protection and public employment services in 2016 and 2017.

The Future of Work in Asia project builds on the achievements of these South-South Triangular cooperation initiatives. The project aims to contribute to employment-rich and equitable growth in ASEAN countries, by strengthening the capacity of ILO constituents to mitigate risks and unlock opportunities in the wake of the large-scale labour market transformation processes shaping the Future of Work in Asia. The project focuses on two of these mega-trends, firstly the impact of demographic change on labour demand in high-growth sectors of the economy, and secondly the implication of new forms of non-standard employment on social protection systems.

The Future of Work in Asia project has two thematic pillars: (1) Skills development strategies to promote decent jobs in the care economy; and (2) Social security system reform in response to new forms of non-standard employment in the digital economy. The project intervention mix foresees a combination of policy-level advisory services and micro-level capacity building support delivered jointly by ITCILO/ILO and public labour market research and social security research institutions from China and selected ASEAN countries: the selection of these ASEAN countries is to be determined based on the demand with MOHRSS during the project inception phase. The project has a duration of 12 months and a budget amounting to 250,000 USD, including a pledge of 200,000 USD from MOHRSS and 50,000 USD contributions from ILO.

Component 1: Skills Development Strategies to promote Decent Work in the Care Economy

Background and justification: The impact of demographic change

Demographic change has a profound impact on the world of work. According to 2015 data from the United Nations, the number of older persons—those aged 60 years or over—has increased substantially in recent years in most countries and regions, and growth is projected to accelerate in the coming decades. Projections from the UN indicate that in 2050 the oldest-old (people aged 80 years or over) will number 434 million, having more than tripled in number since 2015. Women will be overrepresented among the Elderly: globally, during 2010-2015, women outlived men by an average of 4.5 years. Next to Europe, East Asia is the sub-region most impacted by demographic change. For example, in China, in 2010 more than 7 per cent of the population were 65 years or older. By 2027 and 2050, the ratio is projected to increase to 14 per cent and 21 per cent, turning China into a hyper-aging society. As a result, Asia will eventually become home to the largest number of older people in the world.

New employment opportunities linked to demographic change: Focus on care-giving services

Demographic change impacts in many different ways on East Asia. On one hand, countries like China, South Korea and Japan need to adjust to the effects of an ageing labour force while improving labour productivity and competitiveness and also ensuring the sustainability of social protection systems. On the other hand, demographic change also opens up economic opportunities arising from the fast growing public and consumer expenditure related to population ageing and the specific needs of the population over 50. Examples for goods and services demanded by older people are community and home-based care, fall prevention and mobility equipment, devices to mitigate sensory impairment and cognitive decline, e-health and m-health (mobile phone) technology, elder-friendly medicines but also age-specific nutrition products and transport, travelling and leisure services.

Community and home-based care-giving services are particularly relevant from an employment promotion perspective since they are characterized by high labour intensity and require skills sets that pose comparatively low barriers to labour market entry for young job seekers. In addition, labour demand is growing fast not only in domestic ASEAN markets like China but also abroad in Europe and the United States, translating into job opportunities for migrant

Protection policies to promote employment-rich and equitable growth

workers. Care-giving services register a high concentration of women, and carry a higher risk of a decent work deficit – two push factors that translate into triggers for development strategies that emphasize on employment rich and equitable growth.

Objectives of the first project component

The immediate objective of component I of the project is to strengthen the capacity of ILO constituents in China and ASEAN countries to analyse the employment creation potential of the care economy and to design skills development strategies informed by good practice in China and ASEAN countries. The immediate outcome are draft policy recommendations for national skills development strategies to promote decent work in the care economy.

The immediate project outcome will feed into the higher-level ASEAN Labour Ministers' Workplan of 2016-2020 and the ASEAN Leaders Statement on Human Resources and Skills Development for Economic Recovery and Sustainable Growth which promote technical cooperation to enhance the competitiveness of the ASEAN workforce and improve the quality and capacity of national Technical and Vocational Education and Training (TVET) systems to respond to skills demands in the labour market.

Target groups of the first project component

The target group of the first project component are senior Government officials from Labour Ministries, senior representatives from national employers and workers federations, and senior experts from national Labour Market research institutions from ASEAN countries.

Outputs and activities of the first project component

To achieve the objectives of the first component, the project will strengthen the evidence base about the Future of Work in Asia and the Pacific, with focus on the impact of demographic change and the employment creation potential and decent work risks of the emerging global care economy. The project will furthermore increase the knowledge of policy level stakeholders about skills development strategies that anticipate the Future of Work in Asia and the Pacific.

To this end, the project will

- Commission action research on future labour demand in the care economy of ASEAN countries;
- facilitate a sub-regional knowledge sharing event in China hosted by MOHRSS to launch the 2018 ILO global flagship report on the Care Economy and to reference the global report with the findings from regional research;

- Convene an expert meeting on mutual recognition of skills in the care economy of ASEAN countries and overseas destination markets, to be convened in one of the ASEAN countries covered by the project;
- Deliver a tailored training course on “Skills Needs Anticipation and Matching” that brings together skills development specialists from Government institutions in ASEAN countries. To be convened in one of the ASEAN countries covered by the project;
- Deliver a tailored training course on quality ‘apprenticeships’ that brings together skills development specialists from Government institutions in ASEAN countries. To be convened in one of the ASEAN countries covered by the project.

Component 2: Social Protection and Technological Driven New Forms of Work In Asia

Background and justification: The rise of technology driven non-standard forms of work

Globalization and technological progress, including automation and digitalization, as well as societal changes, have significantly impacted labour markets as well as social protection systems. Technological changes generate a growing diversification of work arrangements. Online and off line freelance work are on the rise both in developed and developing countries. Such new forms of work could quickly outnumber the share of workers in the more traditional employer-employee relationship. ASEAN and China are not an exception to this global trend.

The pace of task-based job creation through businesses like Uber, Didi, Go-Jek and Grab as well as online platforms like Upwork is impressive, and with technologies like Wechat and Alipay to facilitate cashless payments, the potential to transform ASEAN economic growth is exciting. But the spread of tech-driven new forms of work is not without its challenges, amongst which is the absence of social protection coverage for many workers in the digital economy. As many of those working in the digital economy are young people, which creates an additional layer of vulnerability for a group that is already extremely vulnerable.

Extending social protection coverage to workers in the digital economy

Extending coverage to people in non-standard forms of work, including the classic and new forms of work, is a significant priority for ASEAN member states. Extending the coverage to people in non-standard form of work is also a key to the ultimate realization of the goal of universal coverage targeted

by the Chinese 13th Five-Year Plan (2016-2020) and in the government's policy agenda of 2018-2020. In October 2013, ASEAN Heads of State adopted a Declaration on Strengthening Social Protection as one of the key priority areas to achieve growth with equity. It specifically states: "Extending coverage, availability, quality, equitability and sustainability of social protection should be gradually promoted to ensure optimal benefits to the beneficiaries". The Declaration represents a clear commitment by ASEAN member States to extend and enhance social protection systems in the region, echoing the principles embedded in the ILO Social Protection Floors Recommendation, 2012 (No.202). This commitment was carried forward by the ASEAN Labour Ministers. The Senior Labour Officials Meeting (SLOM) included a specific output aiming at creating more knowledge on possible strategies for extending social security in its 2016-2020 Work Programme.

Objectives of the second project component

The immediate objective of the second project component is to contribute to the dialogue in ASEAN on challenges and opportunities arising from the new forms of non-standard forms of employment in relation to Social Protection. The immediate outcome of the second project component is the development of a preliminary set of policy recommendations for the extension of social security coverage to those groups. The project outcome will feed the SLOM 2016-2020 Work Programme's target on increased knowledge on possible strategies for extending social security to workers in informal employment. In this case it will focus mainly on "new" non-standard forms of employment in the cash-less economy, particularly for young people. The project outcome will also feed into the larger Regional Research Outcome "Technology as driver of formalization in Asia and the Pacific" under the leadership of the Regional Economic and Social Analysis Unit of the Regional Office for Asia and Pacific in the Regional Office for Asia and the Pacific and to the ILO wider Future of Work Initiative.

Target groups of the second project component

The target group of the second project component are senior Government officials from Labour Ministries, senior representatives from national employers and workers federations, and senior experts from social security research institutes; youth organizations and business representatives from ASEAN countries.

Outputs and activities of the second project component

To achieve the objective of the second component the project will strengthen the evidence base about the impact of new forms of non-standard employment on decent work. To this end, the project will

- Commission research on the growing impact of "new" forms of employment on decent work, with a particular focus on Social Protection, including preliminary analysis of innovative approaches to extend social protection, mainly to young women and men as the key bulk of workers affected by this transition.
- Convene a technical expert meeting on the challenges and opportunities arising from the new forms of non-standard forms of employment in relation to Social Protection in ASEAN. The expert meeting will join representatives from SS institutions from ASEAN member states; selected business companies involved in new economic sectors from ASEAN and China; researchers involved regionally and/or globally in this particular topic; youth organizations; and ILO experts.