

Project Benefits

1. Awareness raising activities and research contribute to extend income security measures for the unemployed and employment services in the ASEAN.

2. Unemployment Insurance scheme in Viet Nam functions effectively, with improved management and financial sustainability; population coverage is increased.

3. A network of expertise among ASEAN member States on unemployment insurance schemes and employment services is created.



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International
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Unemployment Insurance and Employment Services in ASEAN



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Employment challenges in the ASEAN member States

While the impact of the global economic and financial crisis has been large on the ten member States of the Association of Southeast Asian Nations (ASEAN), the region has rebounded remarkably. However, unemployment rates are estimated to have edged down only slightly, and the crisis has definitely slowed down the declining trend between 2003 and 2008 in the share of workers in vulnerable employment (60 per cent of the workforce in the region).

Workers in vulnerable employment, or working poor, operate in the informal economy, which typically offers low-quality, unproductive, poorly remunerated employment opportunities and little or no social protection.

Strategies to support unemployed and working poor

Social security measures should be an integral component of development efforts. Surely, unemployment insurance (UI) schemes as well as other measures to support the unemployed and underemployed will help to ensure that progress in poverty reduction is not reversed. It also contributes to the redistribution of the fruits of growth.

Experiences, mainly from higher-income countries, show that combination of UI cash benefits and active labour market policies are the most efficient mechanisms to protect the unemployed and their families against poverty and to assist them to quickly return to employment. However, the main cause of widespread poverty in lower-income countries is not temporary but structural. Underemployment and the extremely precarious conditions of existing employment persist in the informal economy.

While long-term solutions rely on sustainable employment policies, there is still a need for immediate interventions which should include income support for the unemployed and working poor in the form of cash transfers, as well as basic employment guarantees in the form of public work programmes. Such measures are among the foundations of the Social Protection Floor promoted by the ILO and the United Nations since April 2009.

... in the South-east Asian Region

Most of the ASEAN member States, however, do not have fully functional public employment service agencies or UI systems.

Thailand has established its UI scheme in 2004. As a response to the 2009 crisis and to cushion the impacts of future economic shocks on workers in the formal economy, Viet Nam launched an UI scheme in 2010. Similarly, Indonesia, Malaysia and the Philippines are also considering developing unemployment insurance programmes.

In the ASEAN member States there is a concern that lack of social security for un- and underemployed workers lead to societal instability incurred by widening income gaps and social inequalities. Thus, there is an immediate need to transfer the experience and expertise of social security schemes and measures for unemployed workers, and improve capacity of employment service agencies.

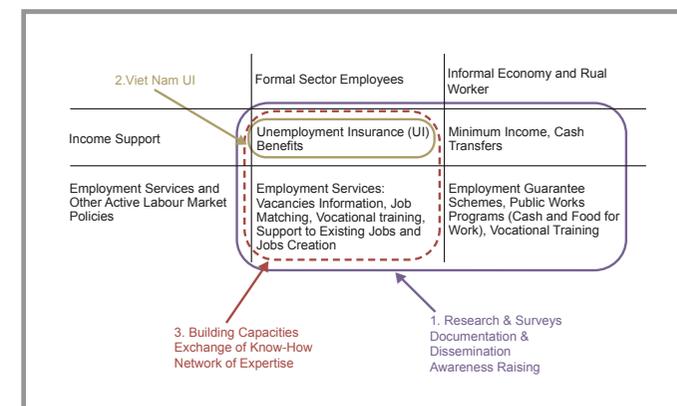
It is against this backdrop that the ILO initiated, with the financial support of the Government of Japan, the project **'Promoting and Building Unemployment Insurance and Employment Services in ASEAN'**.

The project seeks to support the ASEAN Governments to set up immediate measures to guarantee income replacement to the unemployed and working poor, and decent re-employment opportunities. It also aims at raising awareness of the social partners on the importance of UI and other income security programmes.

The project is implemented in close collaboration with the ASEAN Secretariat.



The project aims at:



1. Disseminating research findings and documented experiences on income support programmes and employment services for both the formal sector employees and informal economy and rural workers;
2. Providing technical assistance to fortify the UI scheme of one pilot country, Viet Nam;
3. Building an unemployment/employment insurance expertise network among the ASEAN member States.

*Enhancing income security
for the working age
population in the ASEAN.*

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