



International
Labour
Organization



INTRODUCTION TO UNEMPLOYMENT PROTECTION

Jakarta, November 2019

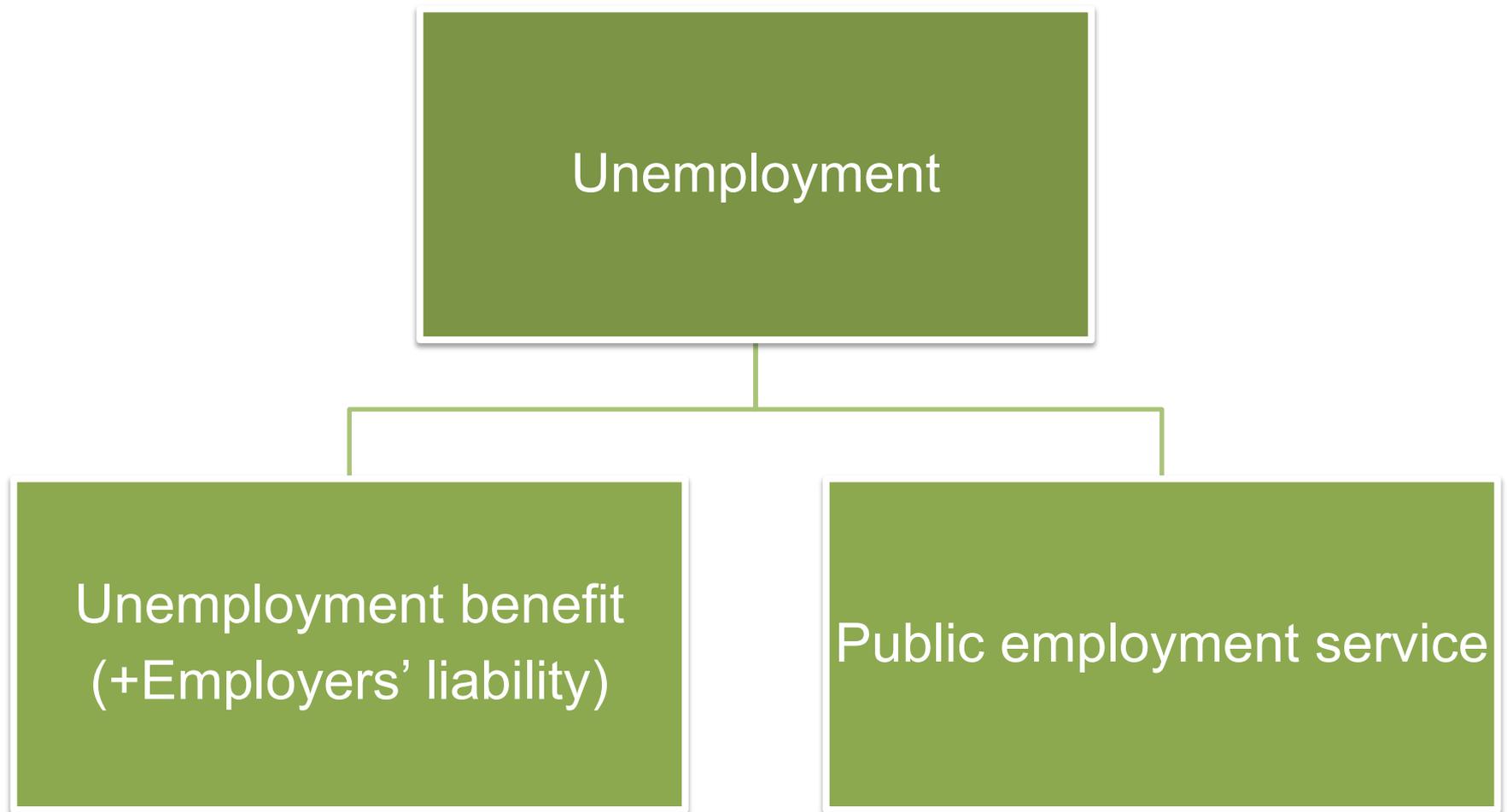
Ippei Tsuruga, Senior Technical Officer
Regional Office for Asia and the Pacific
International Labour Organization

BASIC CONCEPT

EMPLOYERS' LIABILITY



SOCIAL INSURANCE



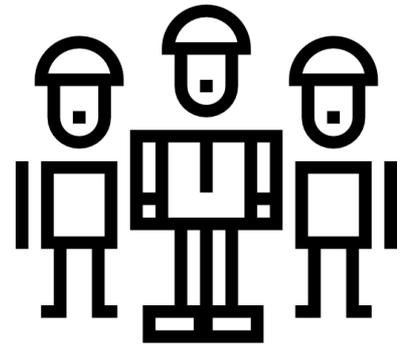
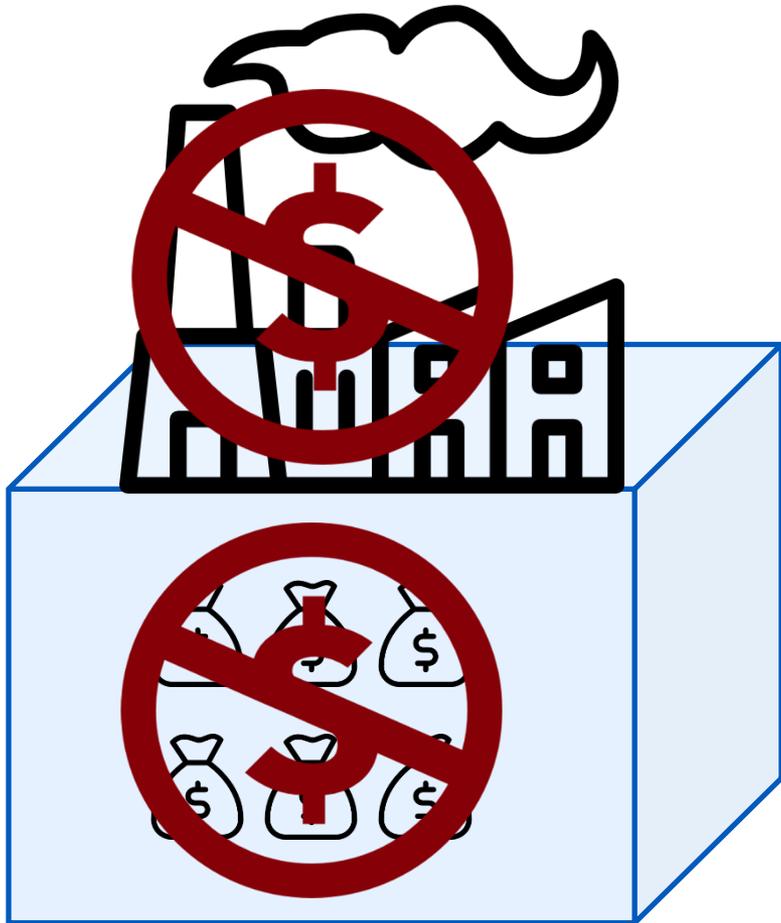
WHO IS UNEMPLOYED?



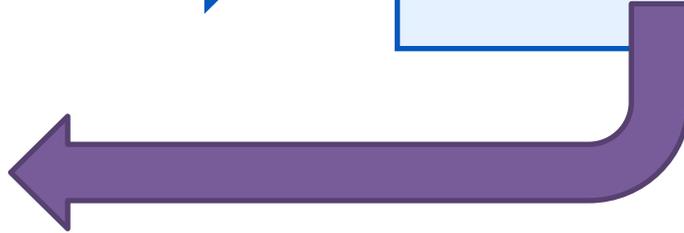
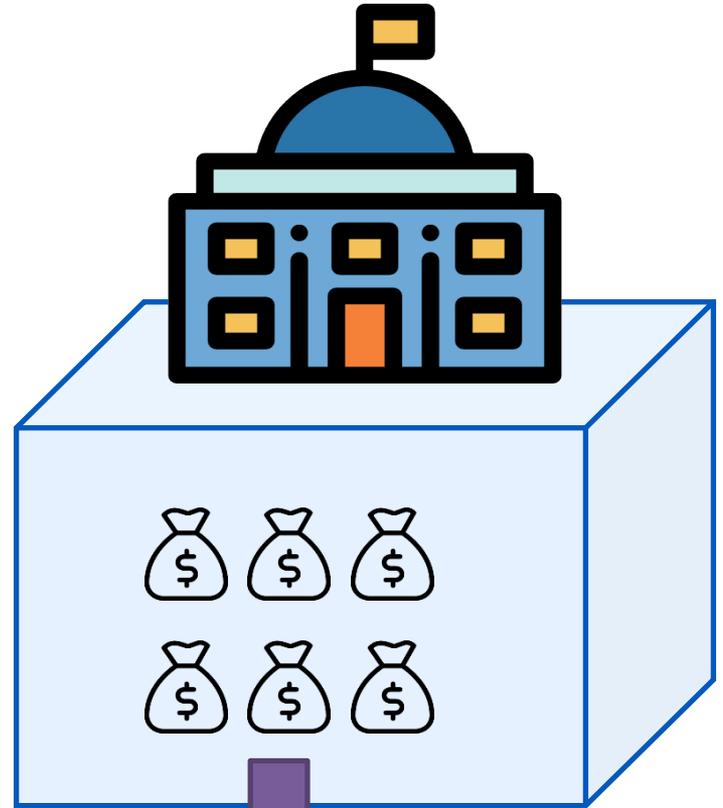
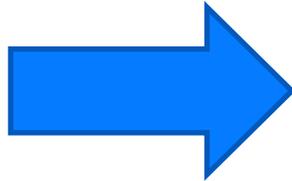
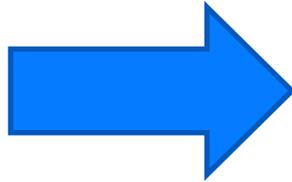
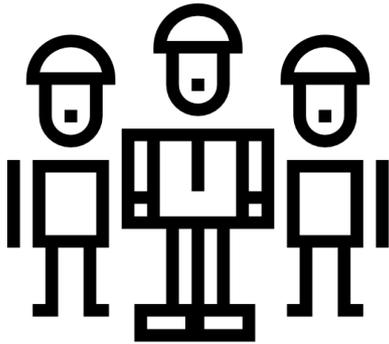
PUBLIC EMPLOYMENT SERVICES



SEVERANCE PAY



EMPLOYMENT INSURANCE



PUBLIC EMPLOYMENT SERVICE



Public service



Support for return to work



BOX

PEMERIKSAAN DOKUMEN

PELAYANAN INFORMASI

BANK

Bank

SP-25
Unit Box
Silahkan Masukkan Foto
Ke Dalam Box Ini



SEVERANCE PAY vs EMPLOYMENT INSURANCE

	SEVERANCE PAY	EMPLOYMENT INSURANCE
Objective	Service	Income security
Payment	Lump-sum	Periodical & Temporary
Risk pooling	X	O
Contribution	Employers	Employers, Employees, State
Responsibility	Employers	State
Employment promotion	X	O

HOW CAN SOCIAL SECURITY STANDARDS HELP?

INTERNATIONAL LABOUR STANDARDS

C102

- Convention concerning Minimum Standards of Social Security, 1952 (Part IV – Unemployment Benefit)

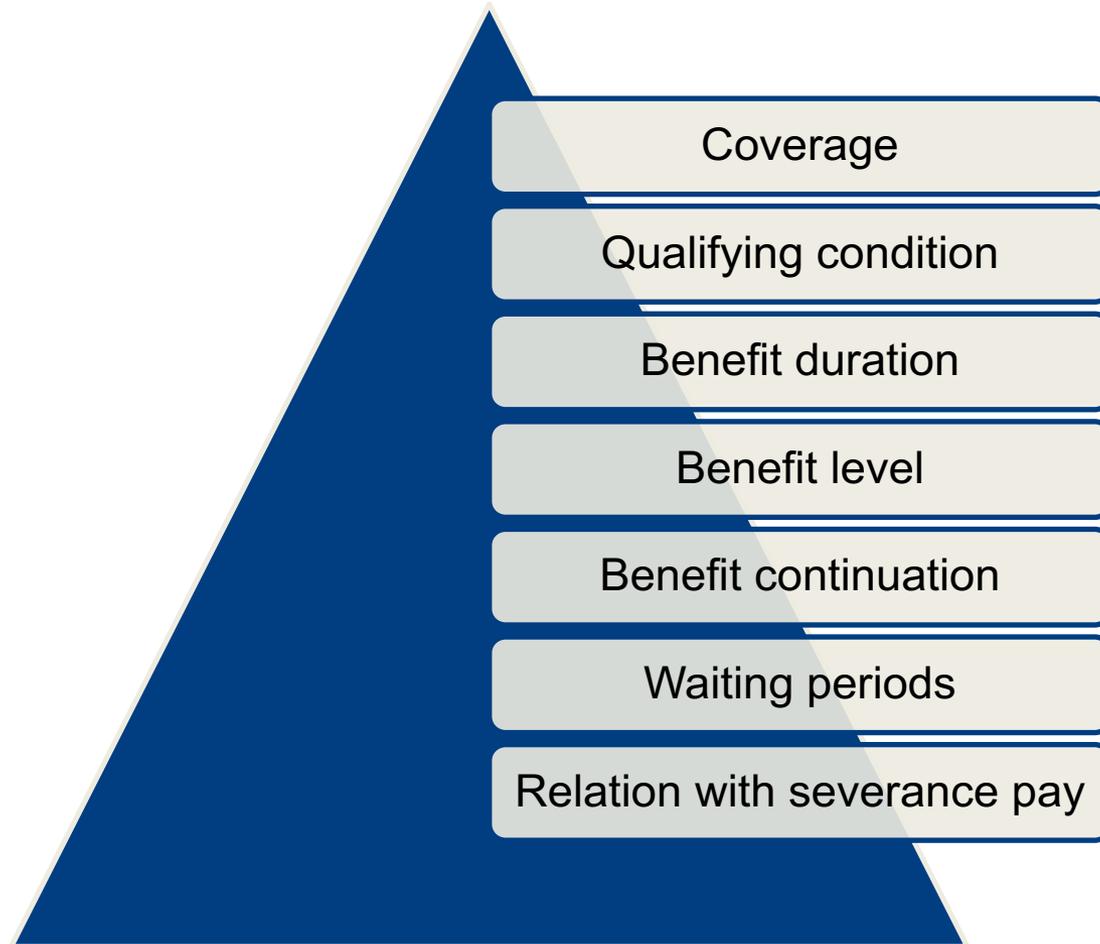
C168

- Convention concerning Employment Promotion and Protection against Unemployment, 1988

R176

- Employment Promotion and Protection against Unemployment Recommendation, 1988

DESIGN OF EMPLOYMENT INSURANCE



COVERAGE

Convention 102

< **50%** of all employees

Convention 168

< **85%** of all employees
(public/private) & apprentices

Provisions for seasonal workers
and new entrants

COVERAGE

Wide risk-pooling can ensure fund's sustainability

C102 and C169 do **not require coverage for the self-employed**

C168 also refers to **part-time workers**

BENEFIT LEVEL

Convention 102

Periodical and
temporary

At least **45%** of previous wage

Medical care

Convention 168

Periodical and
temporary

At least **50%** of previous wage

Medical care

BENEFIT DURATION

Convention 102

13 weeks
within **12 months**

Convention 168

26 weeks
in each spell of unemployment

Or

39 weeks over any period
of **24 months**

DURATION OF BENEFITS

Benefit duration is **linked to the qualification requirements**

In some countries, duration depends not only on previous time worked but also on **the age** of the jobseeker

A number of countries also have provisions for **prolonged** UI benefits in times of **high unemployment** or due to **natural disaster**

QUALIFYING CONDITION

Convention 102	Convention 168
Aim to prevent abuse	Can exclude: Laid-off for miss-conduct Voluntary termination without just cause

QUALIFYING CONDITION

C102 and C168 ask that the qualifying period **not be longer than necessary** to preclude abuse (e.g. **6 or 12 months** of contributions)

Exclude **Voluntary resignation** or **Forced resignation** (unpaid wages, harassment, dangerous working conditions or illegal employer actions)

CONTINUATION OF BENEFITS

Maintain their status in order to receive compensation on a regular basis

Report regularly to the local employment office (e.g. Did you apply for a job?)

Normally linked with the **frequency of payments**

Have to accept any **suitable employment offered** to them

CONTINUATION OF BENEFITS

Referrals to training and employment measures should also be followed up

Lump-sum reemployment bonuses

WAITING PERIOD

Convention 102

Maximum **7 days**

Convention 168

Maximum **7 days**

WAITING PERIOD

Review claimant applications.

- Really unemployed?
- Why unemployed?

CONTRIBUTION

Convention 102

Employees' contributions should not exceed **50%** of the financial resources allocated

Determined by **actuarial studies** and calculations

Convention 168

RELATION WITH SEVERANCE PAY

Convention 102	Convention 168
	Possible to reduce the unemployment benefit, if severance pay is also granted

DIVERSITY OF SITUATIONS

SEVERANCE	UI/EI	SEVERANCE PAY AFFECTS EI/UI	REMARKS
O	O		Thailand
X	O		Vietnam (progressively phased out)
		O	France, USA, Canada (Delay or reduced the amount of EI, no overlapping)

ACTIVE LABOUR MARKET POLICIES

All schemes:

- are equipped with **employment service** centers which offer **job counseling** and **placement** services,
- provide **vocational training** and **skills development** grants

Examples of ALMPs	Countries
Integrated system	Japan, Rep. of Korea, Canada
VT, job support beyond entitlements	France, Mongolia, Japan
Work sharing programmes	Canada, Denmark, France, Germany
Labour mobility allowance	Germany, Japan
Re-employment lump-sum	Japan, Rep. of Korea, Viet Nam
Employment stabilization programmes (re-training/wages subsidies)	Japan, Rep. of Korea,
Support to create own-business	France
Preventive counseling	United States

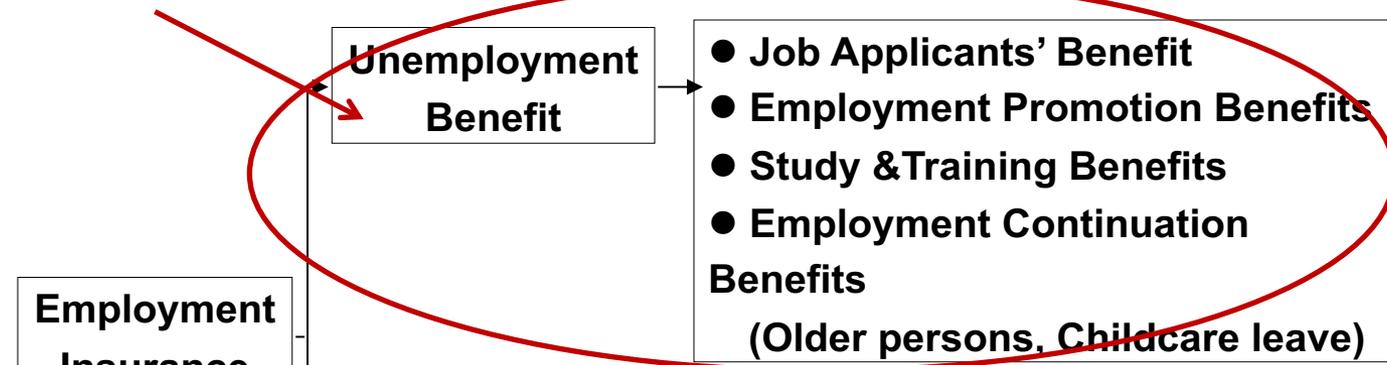
FUNDING ALMPS

- Two distinct objectives, two separate funds...
- Two sources of contribution

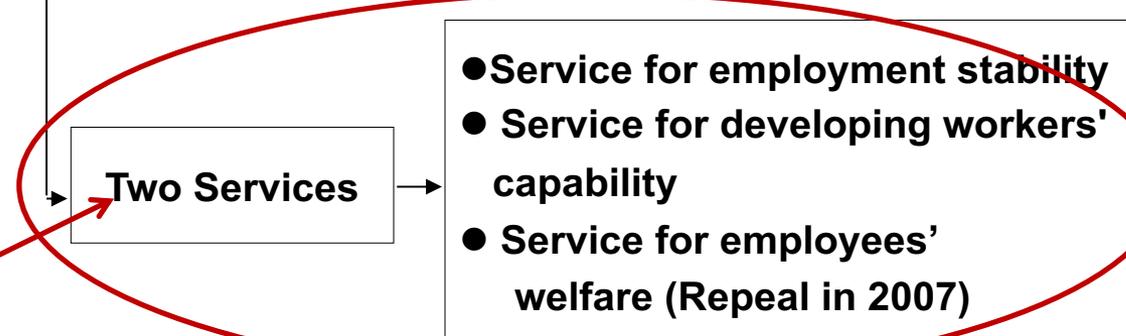
	Unemployment benefits		ALMP		
	Employees	Employers	Employees	Employers	Government
Japan	0.3	0.3		0.3	2.5% of payment
Korea	0.65	0.65		0.25 (<150) to 0.65 (>1000)	

THE JAPANESE MODEL

Financed by
workers and
employers'
contributions



Financed by
employers'
contributions
only



Thank you

Ippei Tsuruga – tsuruga@ilo.org