

VIET NAM TO HOST ASEAN SEMINAR ON UNEMPLOYMENT PROTECTION AND EMPLOYABILITY

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HANOI (ILO News) – Strategies to protect workers against unemployment, help them find better work will be reviewed at an ILO-ASEAN Seminar in Ho Chi Minh City, from 20 to 22 March 2012.

These challenges and possible strategic responses will be discussed by representatives of Governments, Workers' and Employers' Organisations from the ASEAN member States during a meeting to be held in Ho Chi Min City from 20 to 22 March 2012.

The three day "Seminar on unemployment insurance, income security and activation policies" will be opened by H.E. Nguyen Thanh Hoa, Vice Minister of Labour of Viet Nam. The event is supported by the ILO/Japan Multi-bilateral Programme, which provides technical cooperation to help countries in Asia Pacific promote decent work.

By the end of the meeting the tripartite delegates are expected to agree on a clear commitment to expand social protection in the region, and in particular some strategies to assist unemployed and underemployed workers (who are mostly in the informal economy).

The Seminar will take place at the Hotel Continental Saigon, in Ho Chi Minh City, with an opening ceremony commencing at 8.30 am on Wednesday 21 March. The media are welcome to attend the opening ceremony.

Background information

Although the global economic and jobs crisis has had a significant impact on the ASEAN countries, these economies are rebounding. Nonetheless, the South East Asian unemployment rate is estimated to have fallen only slightly, from 5.2 per cent in 2009 to 4.7 per cent in 2011. In particular, unemployment remains high in Indonesia (6.6 per cent in August 2011) and the Philippines (6.4 per cent in October 2011). The region's youth unemployment rate (13.5 per cent in 2011) is also five times higher than that for adults. However, these figures should be seen as indicative because in the informal economic sector – which is important in many ASEAN countries – where everyone has to work to survive, the concept of "unemployment" seems to be irrelevant.

The main causes of widespread poverty in lower-income countries in ASEAN are structural, including the extent of under-employment and vulnerable employment, and work that is precarious, poorly-paid, and unprotected. In Viet Nam, six out of ten workers could be described as in vulnerable employment, with the rate even higher for women (nearly seven out of ten).

In the South East Asia region overall, there were around 180 million workers in vulnerable employment (own-account or contributing family workers) in 2011, equivalent to nearly 62 per cent of all workers. In addition, nearly one out of three workers is estimated to live with his/her family on less than US\$2 a day.

Experience from other countries shows that a combination of unemployment cash benefits and policies to support reemployment is amongst the most effective mechanisms to protect the unemployed and their families against poverty, while helping them to find employment quickly. Among the ASEAN countries, Thailand in 2004, followed by Viet Nam in 2009, introduced an unemployment insurance scheme. In Viet Nam, the scheme now covers more than seven million workers.

Long-term solutions need to be based on sustainable, employment-generating policies. However there is still a need for interventions that alleviate the consequences of losing income. These can include income support for the unemployed and vulnerably employed (in the form of cash transfers), as well as certain forms of basic employment guarantees (in the form of public investment programmes) and extension of employment services to the informal economy workers.

These kinds of measures form the basis of the Social Protection Floor (SPF) promoted by the ILO and the United Nations, and endorsed by the Minister of Labour, Invalids and Social Affairs of Viet Nam, Madame Nguyen Thi Kim Ngan, during the visit of Mrs. Michelle Bachelet, Former President of Chile, in October 2010. In addition, the conclusions of the ILO's Fifteenth Asian Regional Meeting in December 2011 (attended by Viet Nam and other ASEAN member states) included amongst five national policy priorities a commitment to build "effective social protection floors, in line with national circumstances".

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