



International
Labour
Organization

Employment trends in ASEAN countries

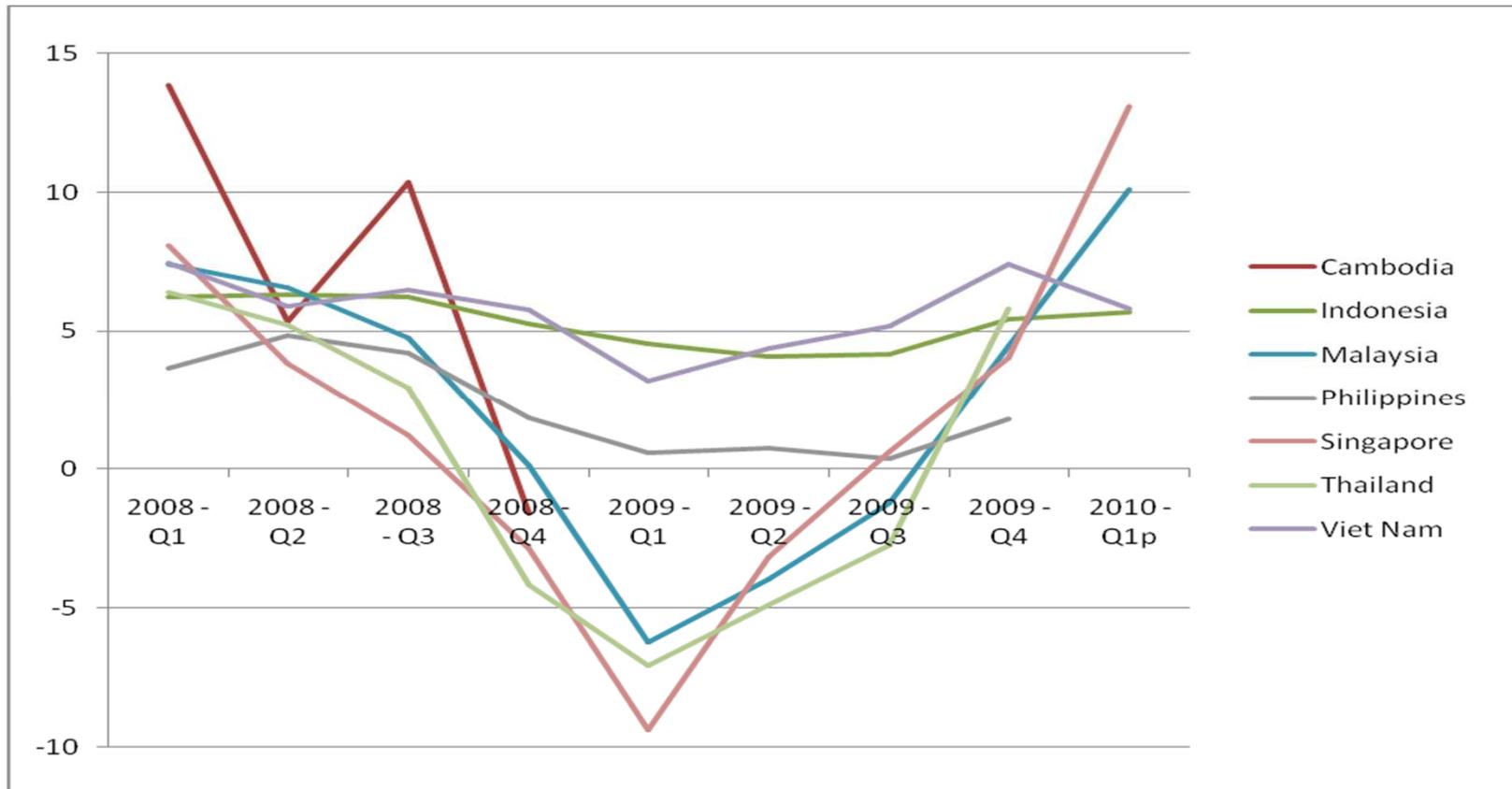
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Decent Work for All

ASIAN DECENT WORK DECADE 2006-2015

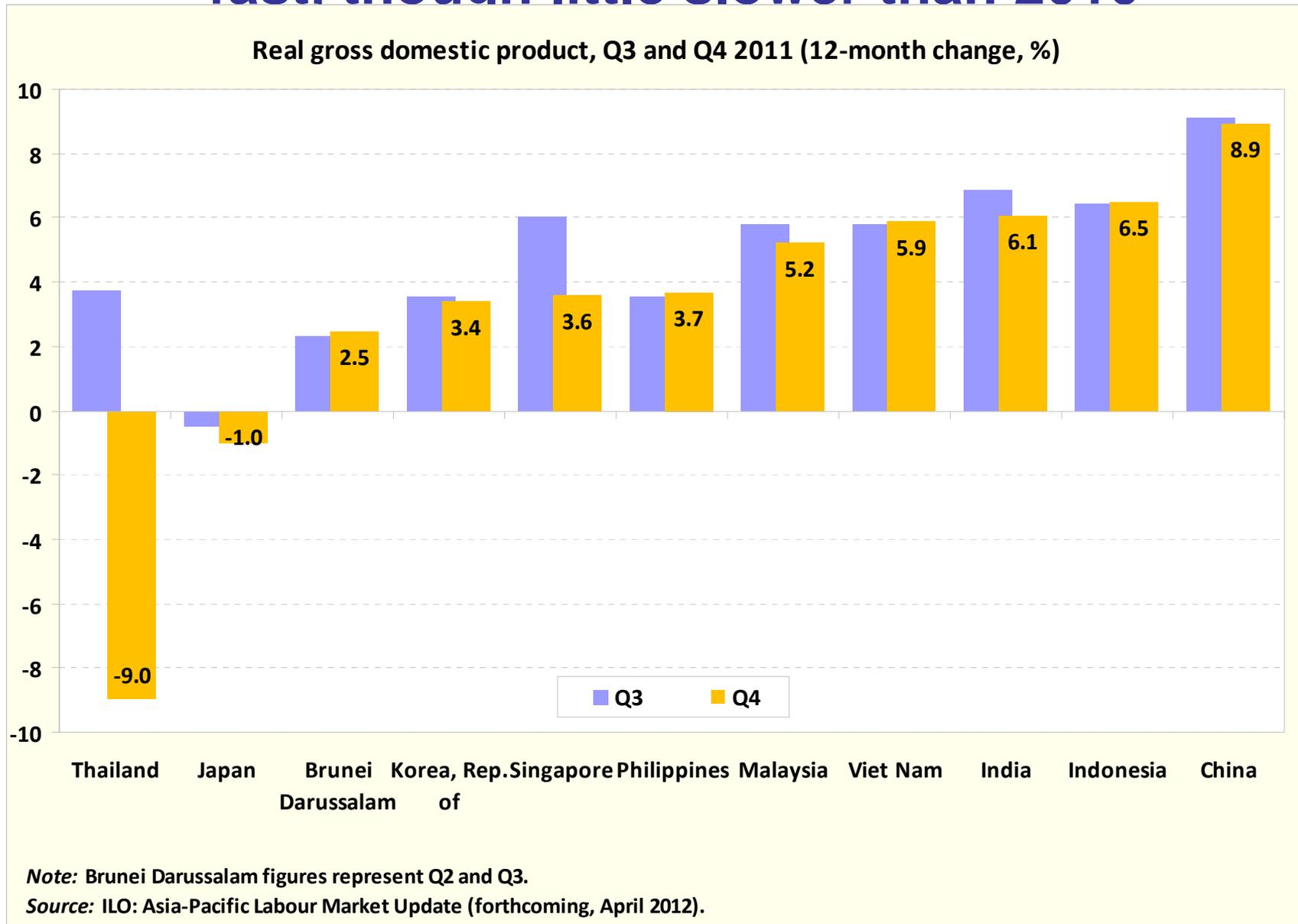
**ASEAN - The economic crisis did have an impact.
But there was also a V-shaped economic recovery.
Most of ASEAN still growing moderately fast**



Sources: ASEAN Finance and Macro-economic Surveillance Unit Database; national statistical offices.

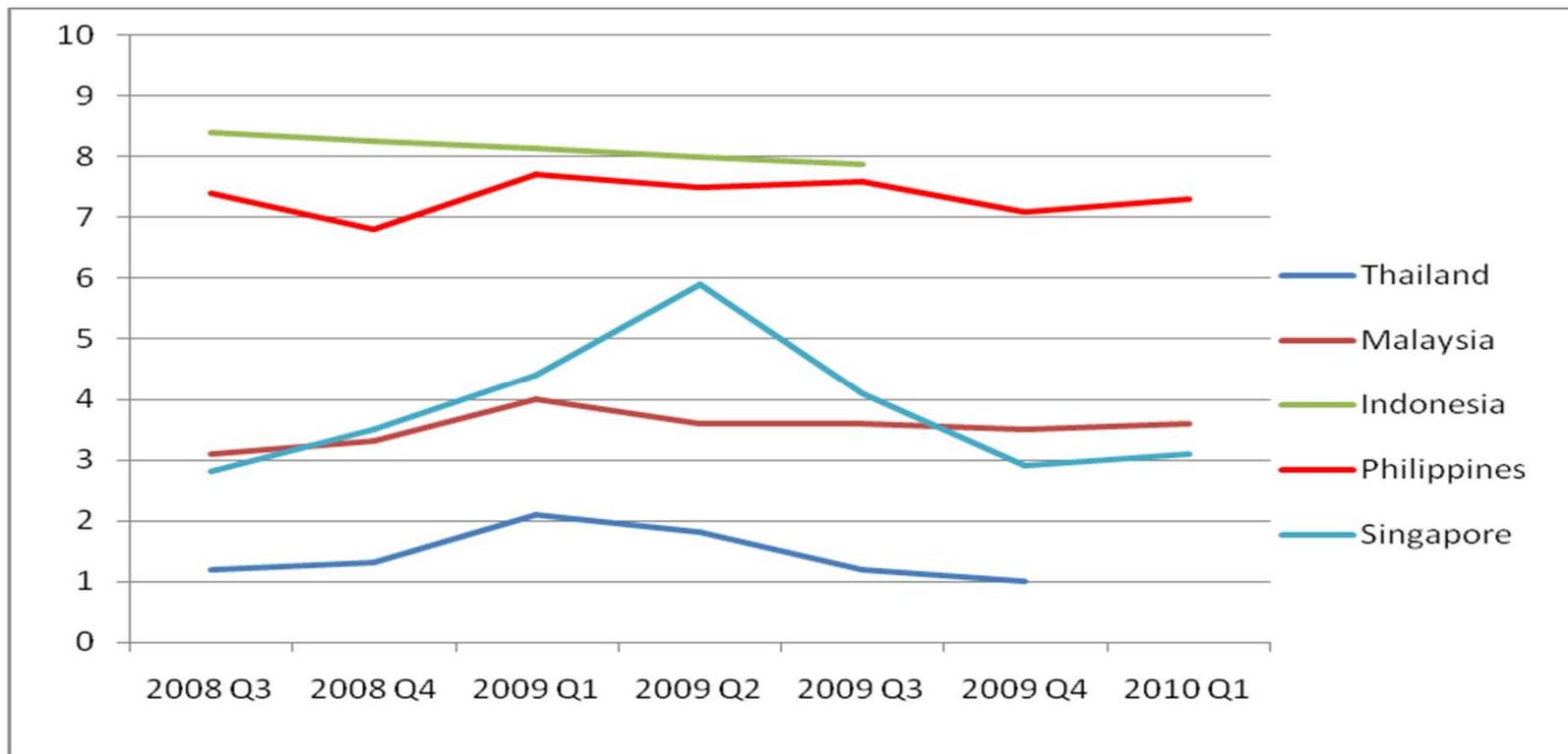
Quarterly GDP growth (y-o-y, %)

In 2011, ASEAN countries continue to grow fast, though little slower than 2010



During the crisis unemployment rose – but it has since stabilized

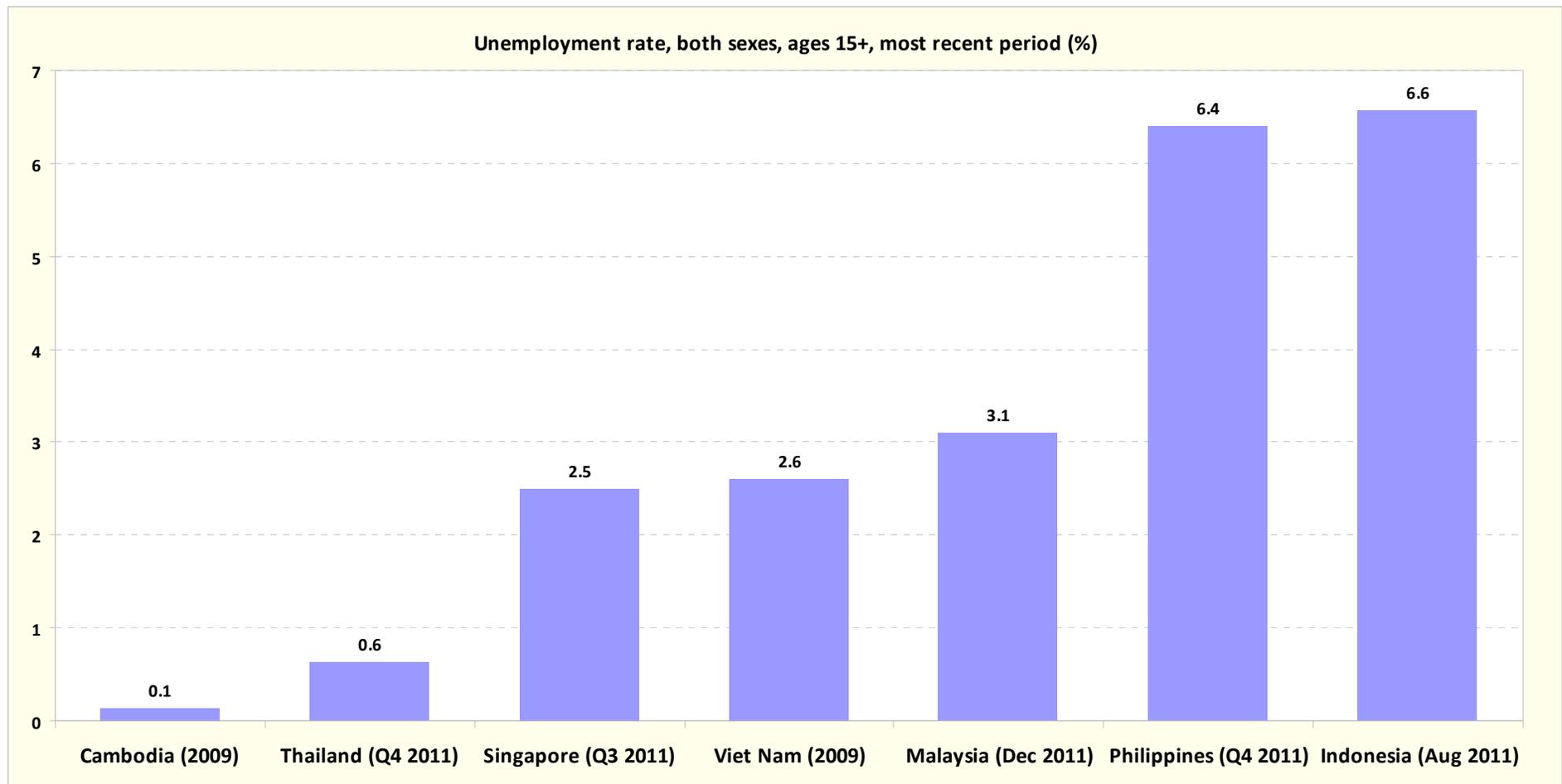
Unemployment rate (%)



Sources: ILO Department of Statistics; national statistical offices.

...but manufacturing continues to shed jobs

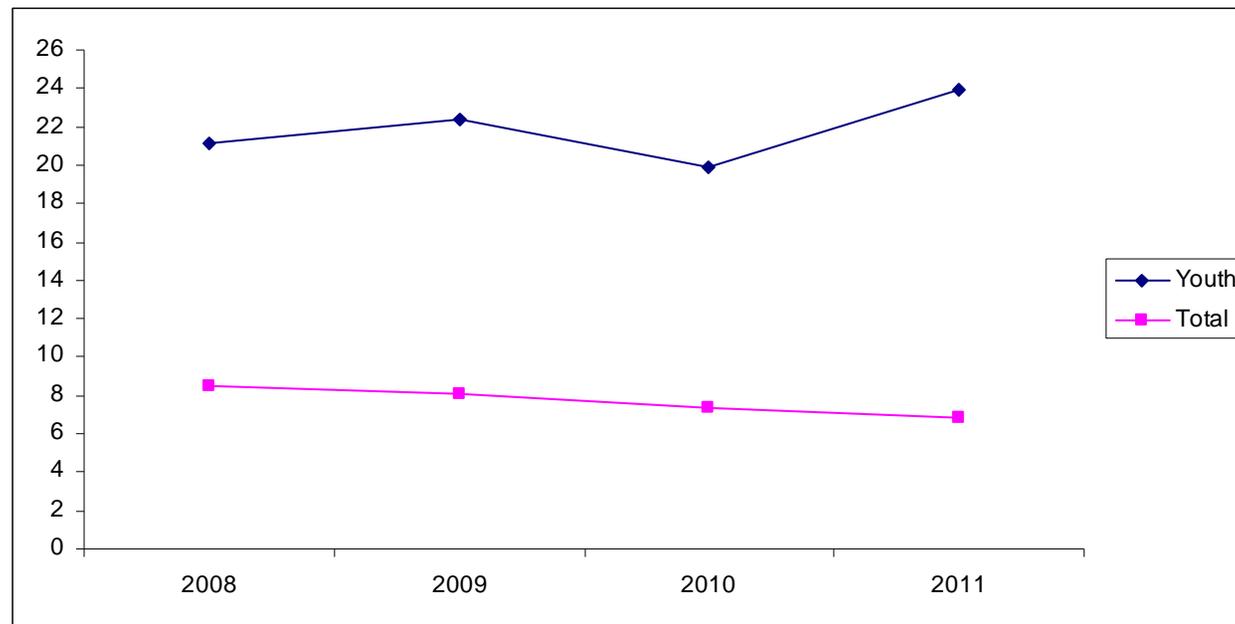
ASEAN: Current unemployment situation



In most countries, women have higher unemployment rate....

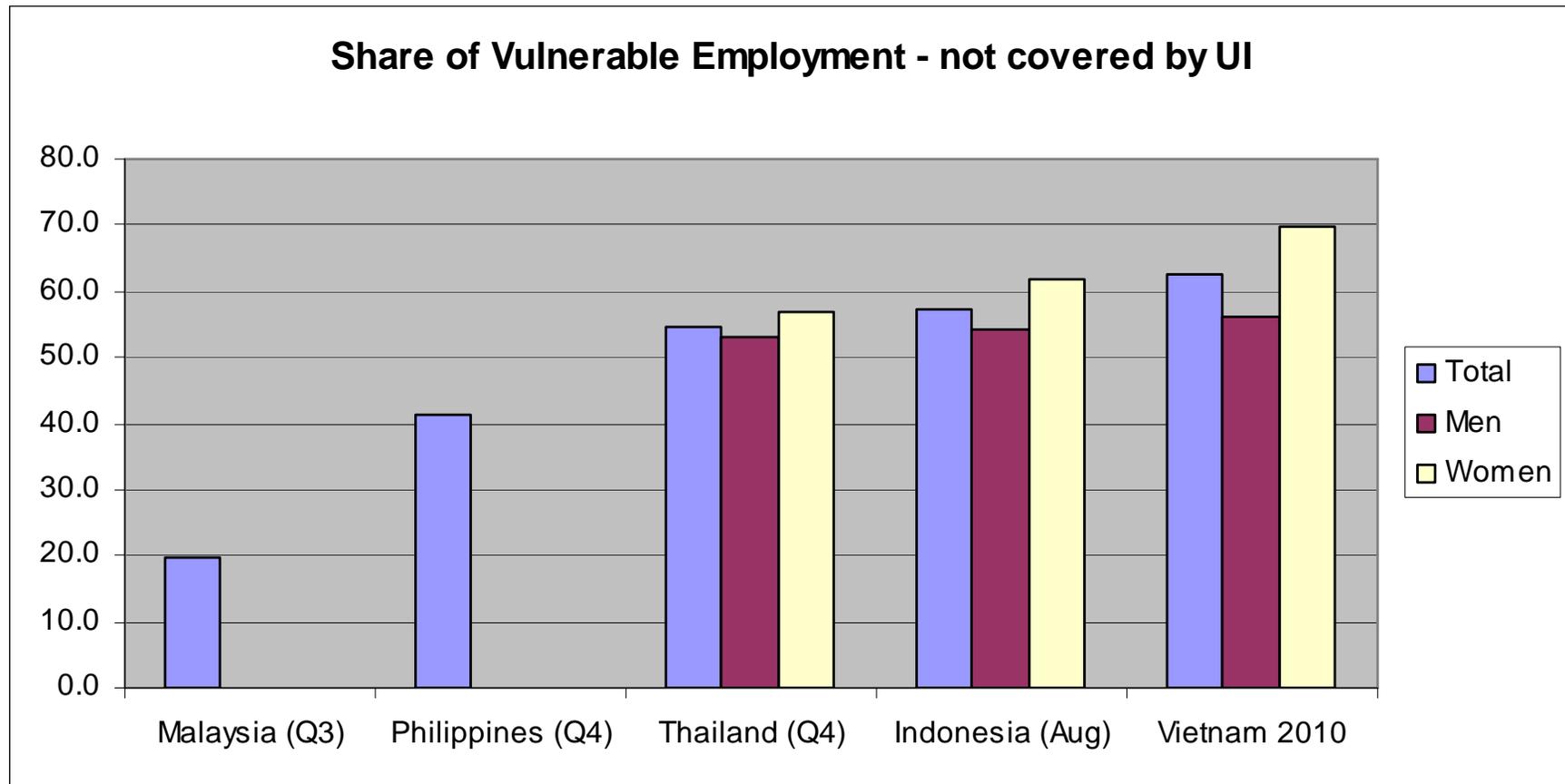
	Total	Men	Women
Indonesia	6.6	5.9	7.6
Philippines	6.4	6.7	6.1
Thailand	0.6	0.7	0.6
Vietnam	2.6	2.3	3.1

And so do Youth- example Indonesia, where total unempl declining, but youth unemployment increasing,many youth are first time job seekers and not contributing to UI.



INDONESIA – YOUTH AND TOTAL UNEMPLOYMENT RATES

There are many more who are in 'vulnerable employment'. Not covered by UI.



**Snap shot of labour market in
developing ASEAN countries – a
significant share in the red cell –
requiring other forms of income support**

	<i>Employed</i>	<i>Unemployed</i>
<i>Poor</i>		
<i>Non-poor</i>	Productively employed	

Work status and UI coverage – example from Vietnam (2010)

- 7.9 million contributing to UI scheme
- High coverage in relatively short time.....
- 15.1 million wage workers, so can extend to potentially 15.1 million

- Total employed- 49.5 million.

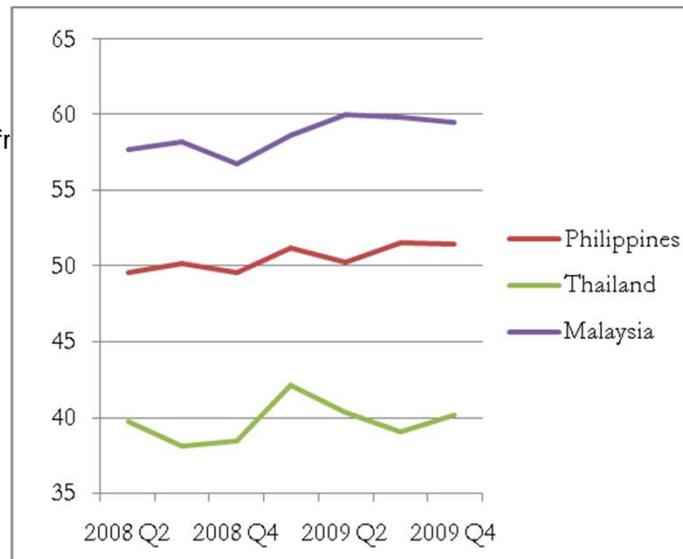
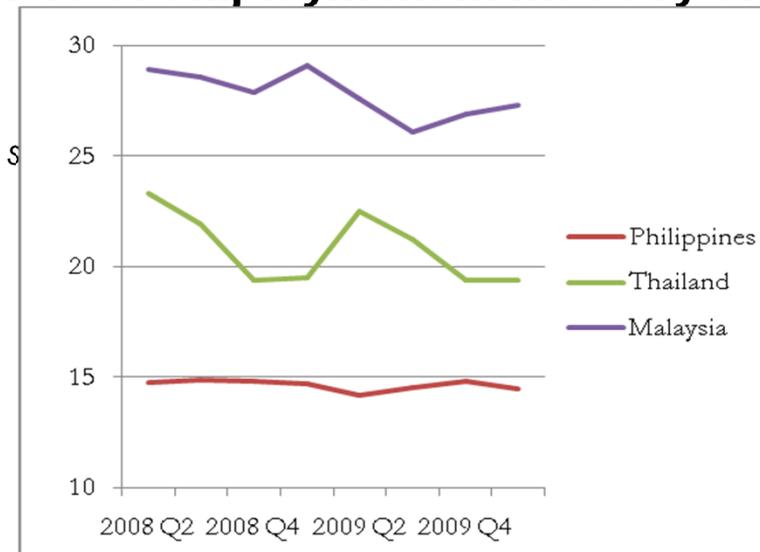
- UI needed along with other income support and social protection measures.

Structural Transformation towards less manufacturing employment...

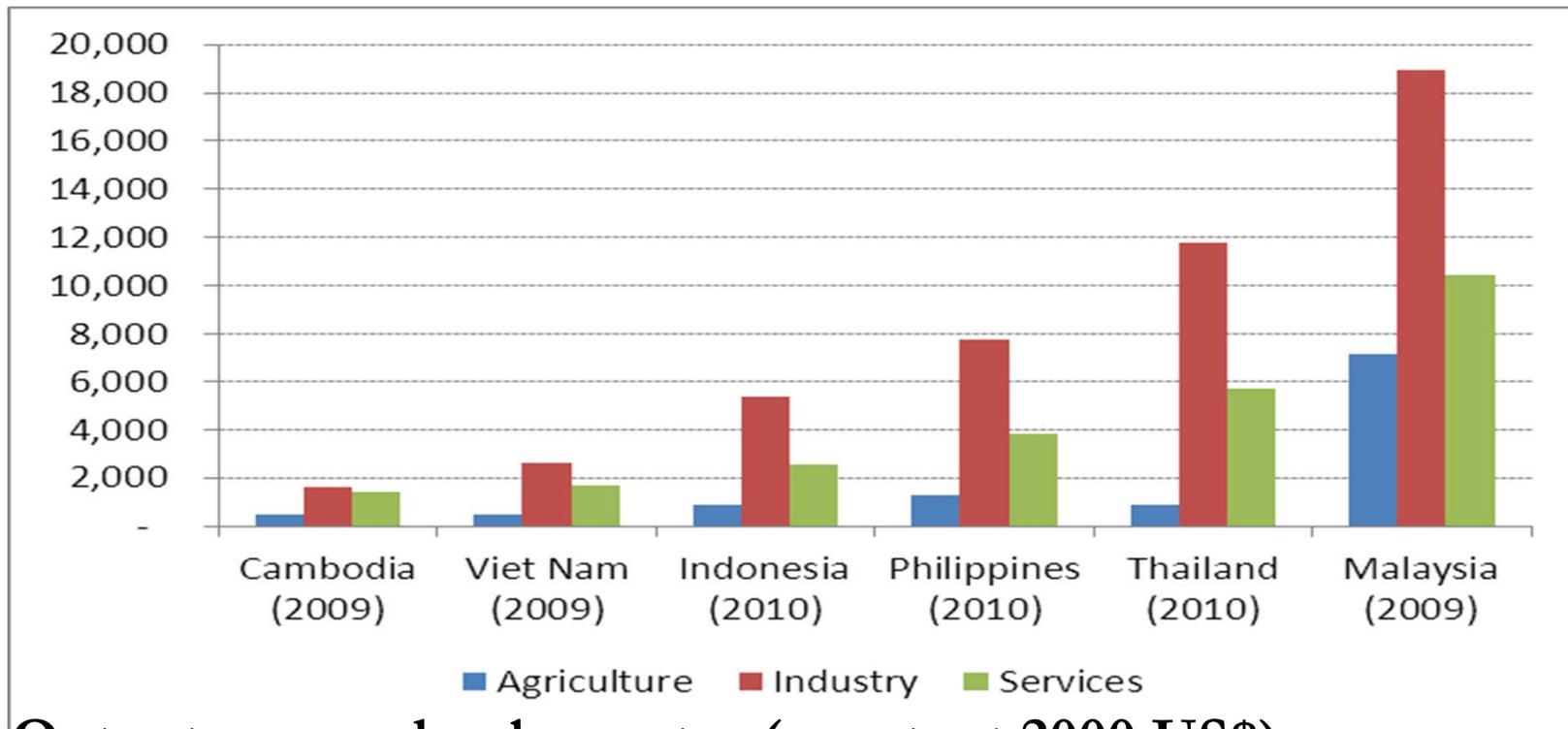
In most ASEAN countries manufacturing as a share of total employment is falling, while services share is rising.

This could reduce the share of wage workers more and service sector tends to have more self employed...

Share of employment in industry and services (%)



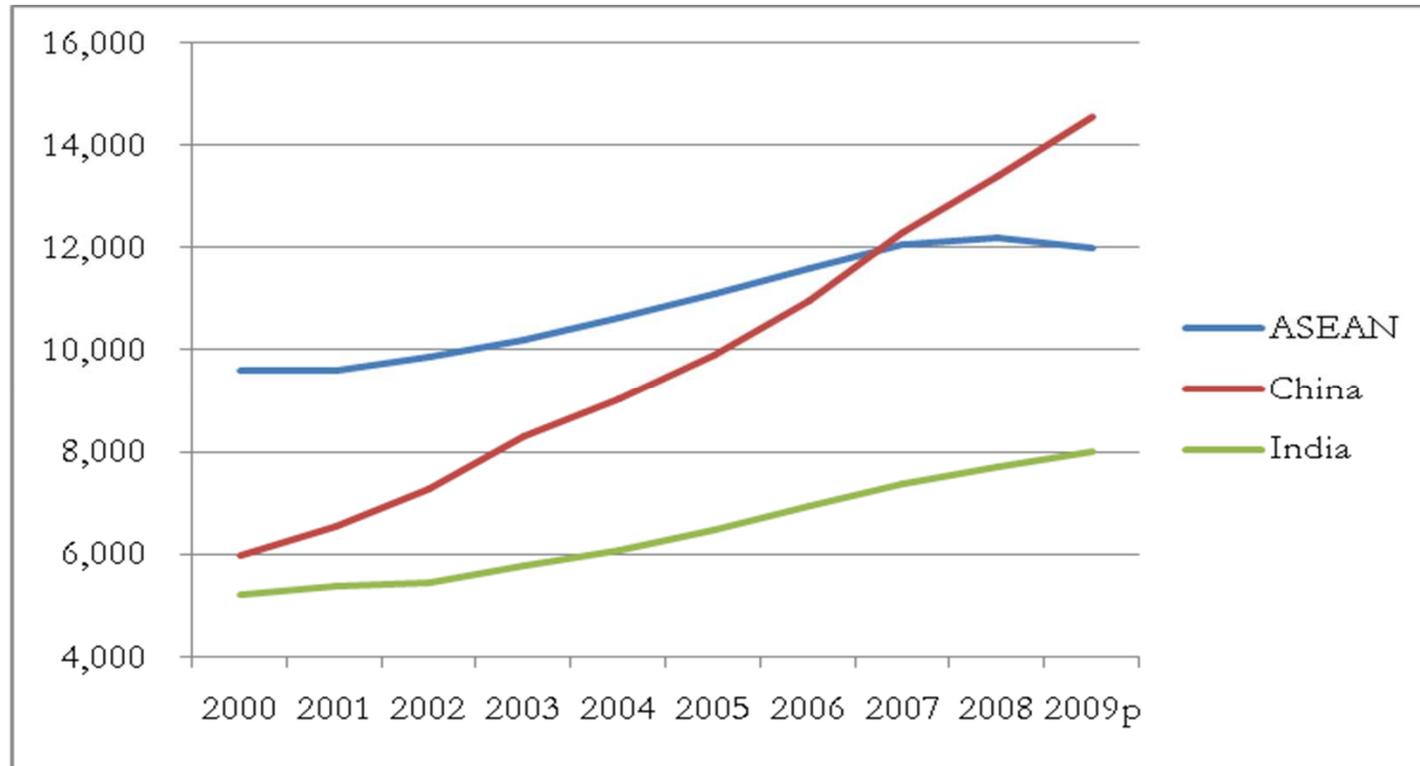
....this also has implications for overall productivity growth, since productivity in manufacturing is highest



Output per worker by sector (constant 2000 US\$)

ASEAN productivity gains fall behind China and India

Output per worker (constant 2009 US\$)



Source: Conference Board and Groningen Growth and Development Centre Total Economy Database, January 2010.

...productivity needs to be raised, also critical to translate productivity gains into higher wages, better working conditions and improved employment prospects

Final remarks....

- Though Asia stable and growing, global insecurity looms large still... as most countries in ASEAN still largely export dependent.
- Unemployment rates low in most countries especially those with large rural economies, but women and youth face higher unemployment prospects.
- Critical to prepare and to have in place social protection measures for workers and enterprises, ahead of crisis –
- But in developing ASEAN countries, such as Vietnam, only part of wage workers likely to be covered by UI, since many are in informal employment relationships or in self employment..
- UI a welcome attempt to cover wage workers, needs to be complemented with other measures for non wage workers, or those in informal economy.
- Important therefore to strengthening the “automatic stabilizers” of social protection (such as UI) and gradually building a basic social protection floor

For UI to be truly beneficial, also needed...

- Raising the skills level to foster a virtuous cycle of higher productivity, employment of better quality, income growth and better protection.
- UI as part of ALMP – well functioning employment service centres critical.
- Strengthened labour market information and analysis – in some ASEAN countries we still have very little data to understand labour market vulnerabilities.



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Thank you

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