

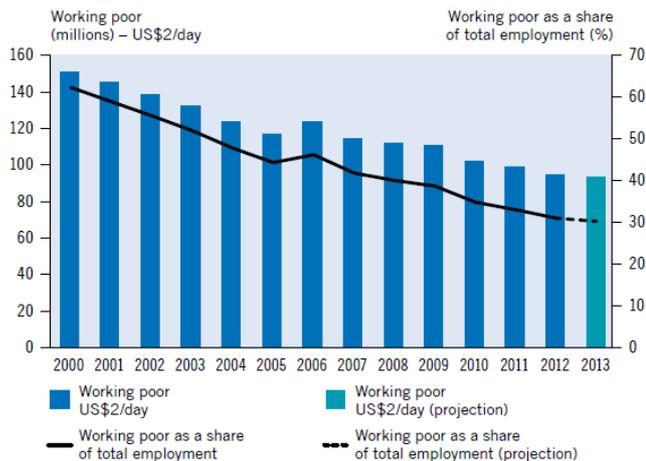
Unemployment protection in ASEAN

Increasing income security and capabilities of all workers

Unemployment and vulnerable employment in ASEAN

South East Asian and Pacific economies rebounded remarkably in 2010, but their growth rates are estimated to have decelerated in 2013, due to global uncertainty amidst the fragile economic recovery in the United States and the Eurozone. The deceleration has however not impacted the unemployment rate which is estimated at 4.5 per cent for 2013. Nevertheless, aggregated unemployment rate hides disparities among sex and age. Women in the region face higher chances to be unemployed than men, at around 4.4 per cent compared to 4.1 per cent; and the unemployment rate among youth remains a major challenge, with a rate five times higher than for adults (estimated at 13.0 per cent in 2013).

Unemployment has remained relatively low and employment has increased in the region over the past few years, albeit at the cost of growing vulnerable employment, comprised of own account-workers and contributing unpaid family workers, who are estimated to yet account for 59 per cent of the labour force in the region.



The need for adapted protection measures

Long-term solutions require sustainable employment-generating policies. Nevertheless, there is still a need for immediate responses that will alleviate financial consequences of loss of earnings, preventing workers and their families from falling into poverty.

Most of the ASEAN countries still rely on severance payment to compensate for the loss of job. For formal sector employees, the provision of unemployment benefits on the basis of periodical payments and social insurance overcomes many of the limitations of severance pay, particularly when enterprises are hit by economic crisis. Unemployment insurance (UI) benefits are well-suited to ensuring the rights of beneficiaries; they meet the livelihood needs of individuals and families, allow for the equitable “pooling” of risks and costs, and enable workers to be protected even when an employer becomes insolvent or individual savings mechanisms fail.

Among the ASEAN countries only Thailand (in 2004) and Viet Nam (in 2009) have established unemployment insurance (UI) schemes. Yet for many countries in ASEAN, UI schemes would only protect a limited portion of the labour force. Several countries, such as Indonesia or Cambodia, have developed public employment programmes but these measures have often been ad hoc, scattered and insufficiently linked with initiatives to increase the employability of the working poor. Although today most of ASEAN countries are equipped with employment support services, the network of offices is often limited, labour market information not always up-to-date, services and information incomplete, and human resources not sufficiently trained.

Unemployment protection in ASEAN

Unemployment protection: a key element of a national Social Protection Floor

The importance of a comprehensive social protection system, that builds on a national SPF, lies in its ability to guarantee minimum livelihoods and income security, to promote social mobility by enhancing capacities and employability, and provide an enabling environment (by developing skills) for the diversification of economic potential.

Unemployment protection aims not only at providing income compensation due to the loss of job (using schemes such as unemployment insurance and/or minimum income guarantee programmes), but also at facilitating return to work, relying on employment promotion programmes, including employment intensive programmes, skills development and entrepreneurship support measures. Such active labour market policies could either complement the social protection floors or be fully integrated in their design, according to countries' institutional features.

A three dimensional strategy



The backbone of this approach is to promote a more effective coordination and integration of the delivery of social security and employment support programmes.

A recognized priority in ASEAN

With the adoption of the Declaration on Strengthening Social Protection, on 9 October 2013, in Brunei Darussalam, the ten ASEAN Leaders reaffirmed the Member States' commitment to build an ASEAN community socially responsible and people oriented by 2015 by notably fostering social protection floors in the region. The Declaration is closely aligned with the guiding principles prescribed by the Social Security (Minimum Standards) Convention, 1952 (No.102) and the Social Protection Floors Recommendation, 2012 (No.202).



Knowledge sharing – Get involved!

Contribute to the ILO's knowledge sharing platform on the extension of social security, the GESS platform and visit the pages on unemployment insurance!

www.social-protection.org



ILO's work on unemployment protection in ASEAN receives support from:

- The ILO/Japan Multi-bilateral Programme, through the Project *Promoting and building unemployment insurance and employment services in Asia (second phase 2014-2015)*,
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