Overview

The weak global economic environment is testing many Asia-Pacific labour markets. While some economies have been relatively resilient, others are showing fragility. Employment trends are slowing in some key markets, and progress on enhancing job quality has been feeble. Young people throughout the region continue to face deficits in their search for decent jobs. The immense destruction from Typhoon Haiyan in November in the Philippines serves as a tragic reminder of the region’s vulnerability to natural disasters and environmental shocks. In this context, centralizing decent work in crisis recovery efforts is critical to supporting devastated communities to build back better.¹

Mixed employment trends, with deceleration in some key economies...

Recent employment trends varied across the region, reflecting differences in economic developments and labour force pressures (see figure 1). Employment in Malaysia spiked by 10 per cent, or 1.3 million jobs, and was spurred by strong domestic demand and a significant rise in the labour force. In Sri Lanka, employment increased by a robust 6.8 per cent, although with nearly half of the expansion concentrated in agriculture.

In the Philippines, job growth accelerated to 1.7 per cent in July but was unable to keep pace with even higher labour force growth. The fallout of Typhoon Haiyan, which devastated the country in November, could further weigh down overall employment levels (see box 1). In contrast, employment growth in Vietnam stagnated at 1.2 per cent compared with the previous year, with the majority of job increases in the services sector.

In Indonesia, the region’s third-largest workforce, overall employment growth decelerated to zero, with an alarming contraction of 1 million jobs in manufacturing and construction. In Thailand, employment decreased overall by a startling 466,000 jobs (1.2 per cent), with the largest declines in agriculture and construction.

By contrast, progress was notable in the industrialized economies, with a few exceptions. In Macau (China) and Singapore, employment expanded by 5.8 per cent and 4.1 per cent, respectively, with both trends driven primarily by services and construction. In Hong Kong (China), New Zealand and the Republic of Korea, job growth also accelerated to around 2–3 per cent. Conversely, in Australia, Japan and Taiwan (China), demographic trends partly shaped weak employment increases of less than 1 per cent.

...unemployment low overall, but young people remain especially vulnerable...

Unemployment rates remained comparatively low overall (around 5 per cent or lower), but there were a few contrary cases (see figure 2). In the Philippines, unemployment in July (measured on an annual basis) edged up from 7 per cent to 7.3 per cent, partly as a result of sizeable labour force growth. Unemployment in Indonesia increased for the first time since 2005 to 6.3 per cent, with the largest upturn observed among jobseekers with vocational secondary degrees. In Pakistan, unemployment was 6 per cent but considerably higher for women (8.3 per cent) than men (5.3 per cent). In Australia, unemployment increased year-on-year, from 4.9 per cent to 5.4 per cent in November; but it trended downward in New Zealand to 6.2 per cent in September.
For the region’s young people, finding decent jobs remains a prominent challenge. In eight of fourteen economies with recent 2013 data, the youth unemployment rate was around 10 per cent or higher (see figure 2). In Sri Lanka, for example, more than one in five youth in the labour force was unemployed as the situation worsened compared with the previous year, especially for young women. Likewise in Indonesia and the Philippines, youth unemployment was around 17–18 per cent, with higher rates for young women than men. In New Zealand, unemployment among youth declined on an annual basis in September but still stood at 15.9 per cent.

![Figure 2. Unemployment rate, total and youth, latest period in 2013 (%)](image)

Note: Non-seasonally adjusted; total includes ages 15+, except Macau, China (ages 16+) and Pakistan (ages 10+); youth includes ages 15-24 except Macau, China (ages 16-24), Pakistan (ages 15-19) and Singapore (Residents ages 15-29). Youth unemployment figures in Indonesia and Singapore are based on February 2013 and Q2 2013, respectively.

Source: National statistical offices.

For young people in the Pacific Island countries, the unemployment situation is also alarming. In Kiribati, for example, more than one in two youth in the labour force is unemployed. In Samoa, the comparable ratio is nearly one in six and around one in ten in Vanuatu.²

These regional trends are driven by a number of age-specific factors, including the mismatch between education, employers’ requirements and youth aspirations. This divergence is especially relevant in China, for instance, where rapid economic transformation and shifting job expectations of recent graduates have complicated the youth employment situation.³ In India, youth unemployment is around one in ten overall, but nearly one in four among better educated young women from wealthier, middle class families.⁴

Unemployment, however, is only one part of the broader challenge. For young people who find work, job quality is often poor. Working poverty rates among youth in developing economies of the region are typically higher than for their adult counterparts.⁵ Similarly, the share of young people employed as contributing family workers (who are often unpaid) far exceeds that for adults.⁶

…and progress on improving job quality stagnating…

Job quality for too many workers in developing Asia and the Pacific remains poor, as reflected in the high shares of own-account and contributing family workers. In countries with recent, comparable data, there was little progress in reducing these types of precarious jobs (see figure 3).

The proportion of own-account and contributing family workers in total employment was around three in five in Indonesia, Pakistan, Thailand and Viet Nam, with little change from the previous year. While the equivalent ratio was lower in the Philippines and Sri Lanka (around two in five), it actually increased year-on-year by 3.1 percentage points and 1.8 percentage points, respectively.

Women are more likely than men to be in these types of jobs, predominantly as contributing family workers. In Pakistan, for instance, the female-male difference in the share of employment as own-account and contributing family workers was 23.4 percentage points.

Moreover, a majority of the region’s workers remain informally employed. In India, for example, the proportion of informal workers is still around eight in ten, and the vast majority of new jobs created in the organized sector in recent years were informal in that they did not provide access to benefits or social security.⁷

Job quality is particularly low in the region’s agriculture sector, where workers typically lack the skills and opportunities to access better quality jobs that are more productive and secure. With limited stability, earnings and protection, precarious and informal jobs leave workers and their families highly vulnerable especially in situations of economic, social or environmental crisis.

![Figure 3. Share of own-account and contributing family workers in total employment, latest period in 2013 and same period in 2012 (%)](image)

Note: Ages 15+ except Pakistan (ages 10+). Source: National statistical offices.
Box 1: Natural disasters and livelihood impacts in the Philippines

The Philippines, the world’s third most susceptible country to natural disasters, has been devastated by a series of environmental crises in recent years, culminating with Typhoon Haiyan in November. These natural disasters have destroyed livelihoods and communities and have exacerbated vulnerabilities in a country where poverty remains a harsh reality for more than one in four families.1

Typhoon Haiyan left more than 6,000 people dead, and preliminary estimates indicate economic damages of more than US$805 million.2 An estimated 5.9 million workers have had their livelihoods impacted temporarily or permanently (see figure B1.1). In comparison, this exceeds the combined number of workers affected by the Southwest Monsoon, Typhoon Bopha, Tropical Storm Trami and the Bohol Earthquake. Of the workers affected by Typhoon Haiyan, around 2.3 million (39.5 per cent) are women and nearly 2.6 million (43.4 per cent) were engaged in vulnerable and precarious employment as own-account or contributing family workers even before the crisis hit.

Typhoon Haiyan primarily impacted the three regions of Western Visayas, Central Visayas and Eastern Visayas. In these regions, the local economy and labour market are extensively driven by the services sector (including wholesale and retail trade and transportation) and agriculture (see figure B1.2). Thus, the success of recovery efforts will depend heavily on rebuilding infrastructure and quickly re-establishing livelihoods, especially in these sectors laden with vulnerable jobs. To this end, the Department of Labor and Employment and Department of Social Welfare and Development, with the support of the ILO and other international development partners, are prioritizing measures that integrate the principles of decent work into the disaster response to help communities build back better. This will include emergency employment schemes that target the most vulnerable households, comply with regional minimum wage laws and occupational safety and health standards and offer social protection benefits.3

1 Poverty data are based on the Philippines National Statistical Coordination Board: “Poverty incidence unchanged as of first semester 2012”; 23 Apr. 2013.

…while environmental shocks exacerbate existing vulnerabilities

The Asia-Pacific region is most at-risk to natural disasters globally. In the first three quarters of 2013, 97 natural disasters occurred in the region, resulting in more than 9,000 deaths and affecting the lives and livelihoods of nearly 33 million people.4 Although only 53 per cent of the individual disasters globally occurred in Asia and the Pacific, the region accounted for 89.1 per cent of the total fatalities and 84.8 per cent of the people affected. Given the available estimates of the fatalities and displacement caused by Typhoon Haiyan, the final end-of-year figures are likely to be even higher (see box 1).

In a global index of risk to natural disasters – based on such factors as the strength and frequency of hazards, socio-economic vulnerabilities, and coping and adaptive capacities – 12 of the world’s 20 countries most at-risk are in the Asia-Pacific region (see figure...
4). The top-three ranking countries – Vanuatu, Tonga and the Philippines – face severe exposure to natural disasters due to their extensive tropical coastlines. But they also have relatively high vulnerability scores, suggesting that there is still much space to improve capacity and bolster their institutions.

Of the South Asian countries, Bangladesh ranked fifth globally given its high exposure to storms and floods and weak coping capacity. By contrast, the risk in Afghanistan was significantly lower (ranked 40th globally), but the country had the lowest individual scores on both coping and adaptive capacities, indicating that its lack of preparedness for risk far outweighs its natural exposure.

Of the industrialized economies, Japan had the highest risk score overall as a result of its extreme exposure to earthquakes. This fragility, however, is offset by the relative strength of its institutions to cope and adapt and its low score in terms of socio-economic vulnerabilities.

Environmental catastrophes destroy people’s livelihoods, cutting off their main source of income and forcing them into inactivity or unpaid work. In this context of crisis, decent work can be a crucial part of disaster relief. It enables victims and their families to restore their incomes, dignity and hope.

Reconstruction strategies that focus on decent work can help communities build back better and faster. This includes targeted social protection measures, livelihood-centred recovery and employment-focused reconstruction. Fostering green jobs and preparedness for livelihood recovery also can help reduce future hazards, mitigate the harm caused by natural disasters and help societies adapt to climate change.

Upgrading the institutional capacity of countries to manage the economic and social consequences of natural disasters is critical. This includes the involvement of social partners who have an indispensable role in strengthening preparedness, recovery and adaptation.

![Figure 4. World risk index to natural disasters, selected Asia-Pacific countries, 2012](image)

Note: Risk of becoming the victim of a natural disaster based on: a) exposure to natural hazards; b) susceptibility to harm; c) coping capacity in the aftermath of a hazard; and d) adaptive capacity related to forthcoming natural events, climate change and other challenges.


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