

# BALI DECLARATION POLICY BRIEF NO. 2 | 2018 UPDATE

## DEVELOPING POLICIES FOR DECENT JOBS

### BALI DECLARATION PRIORITY:

Developing policies for more decent jobs through:

- (a) macroeconomic policy frameworks for inclusive growth;
- (b) an enabling environment for sustainable enterprises and entrepreneurship;
- (c) institutions for skills development, certification and valuation that are responsive to employers' and workers' needs through social dialogue;
- (d) targeted efforts at promoting decent work for traditionally disadvantaged categories of workers, including youth, people with disabilities, migrant workers, national minorities and indigenous peoples, and people living with HIV and AIDS;
- (e) the elimination of non-standard forms of employment that do not respect fundamental principles and rights at work, and are not in accordance with elements of the Decent Work Agenda; and
- (f) measures facilitating the transition of workers from the informal to the formal economy, particularly the extension of labour market institutions to rural areas.

**Despite robust economic growth, large deficits in decent jobs persist in Asia and the Pacific. Around 930 million workers in the region are in vulnerable employment and nearly 450 million are earning too little to lift themselves and their families out of poverty.**

A set of conducive policies and institutions are often needed to get more people into decent jobs that contribute to stronger and more inclusive economic growth. Decent work is more productive and puts money in the pockets of workers and families that can be spent to foster the local economy. Their purchasing power spurs the growth and expansion of sustainable enterprises, which in turn are able to hire more workers and improve their pay and working conditions. Moreover, it increases tax revenues for public financing of measures to protect society and to invest in people's capabilities. Decent jobs also reduce inequality and increase resilience to economic, social and environmental crises. Accordingly, the 2030 Agenda for Sustainable Development, and Goal 8 in particular, places decent work for all at the heart of policies for sustainable and inclusive growth and development.

The Bali Declaration was adopted at the 16th Asia and Pacific Regional Meeting of the ILO on 9 December 2016. The Declaration serves as a call to action for governments, workers' and employers' organizations in the region to do more to promote inclusive growth, social justice and decent work. This series of Policy Briefs aims to focus attention on the priorities for policies and actions at national level and by the ILO as defined in the Declaration.



**Only through deliberately improving the quality of employment for those who have jobs will we provide a durable exit from working poverty.**

– Guy Ryder, ILO Director-General

## DEFINING THE CHALLENGE

Asia and the Pacific has recorded formidable economic growth for decades and has led the uncertain global economic recovery since 2008. The region's rapid and resilient economic progress, however, has been accompanied by increasing inequality and persistent vulnerability. As wage increases in the region have not kept pace with productivity growth, labour income shares have fallen and inequality has risen. These trends threaten social cohesion and potentially undermine long-term development prospects. Thus, the challenge for Asia and the Pacific as a whole remains less about the quantity of jobs and more about the quality of employment.

In 2017, around 930 million women and men (around half of the region's workers) were in vulnerable employment, working as own-account or contributing family workers with limited security and protection. Too many workers in the region still earn too little to escape poverty. Around 144 million workers in Asia and the Pacific were extremely poor in 2017, living on less than US\$1.90 each day, of which two in three were concentrated in South Asia. A further 303 million workers were in moderate poverty (ILO, 2018a).

These trends are linked to informal employment, which is pervasive throughout the region. For example, around four out of five workers in Bangladesh, Cambodia, India, Myanmar, and Nepal are employed informally in the non-agricultural sector (ILO, 2018b). Low technical skills and education are strongly associated with informality in the region, and this

skills gap is hindering employability and access to better jobs, productivity growth and competitiveness.

In addition, the region has seen the growth of various "new" forms of work, which include elements of temporary work, part-time work, temporary agency work and subcontracting, dependent self-employment and disguised employment relationships (ILO, 2016a). In Cambodia, India and Viet Nam, for instance, more than half of wage employees are working under temporary arrangements. There are positive aspects of such work for both employers and workers; for example, when part-time work, voluntarily chosen, draws more women into the labour market as a means to balance work and family care, or when temporary work through an agency offers new labour market entrants a first access to the labour market. Negative effects occur, however, when the new forms of work are associated with greater insecurities for workers.

For the region's young people, access to decent jobs is a major challenge. In 2017, the unemployment rate among young jobseekers aged 15-24 stood at 10.4 per cent (ILO, 2018a). Youth are around 3.4 times as likely to be unemployed throughout the region as compared to their adult counterparts. Globally, the youth-adult ratio of unemployment rates stands at 3.0.

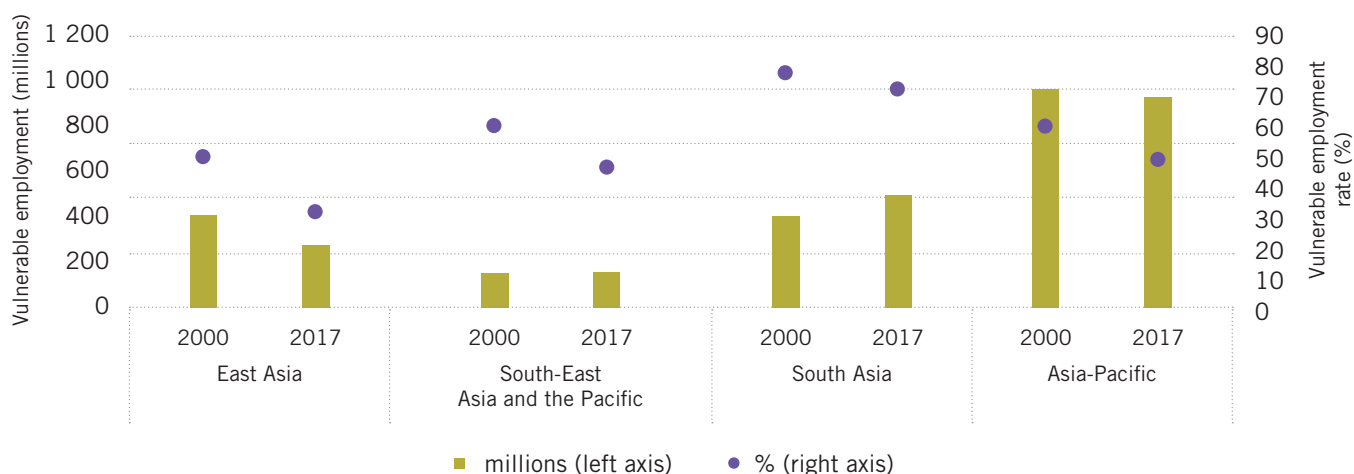
## AREAS OF ACTION AND LESSONS LEARNED

To create more decent jobs in the region, a number of policy priorities are required, as highlighted in the Bali Declaration:

*Develop and implement an employment-centered macroeconomic policy framework*

This necessitates a stronger articulation of full and productive employment as a fundamental objective of macroeconomic policies, and means setting employment targets and ensuring that tax, monetary and trade and investment policies support

### ALTHOUGH SITUATION IS IMPROVING, ONE-HALF OF WORKERS IN THE REGION REMAIN IN VULNERABLE EMPLOYMENT



Note: Vulnerable employment is defined as the sum of own-account and contributing family workers. The vulnerable employment rate is the share of vulnerable workers in total employment.

Source: ILO: ILOSTAT Database [accessed 22 October 2018].

employment creation. A number of countries in the regions, including Cambodia, China, India and Sri Lanka, have embarked on efforts for job-friendly macroeconomic frameworks, including creation of inter-ministerial bodies for promoting employment. Such efforts at policy dialogue and coordination are just a start. Enormous challenges remain such as including employment indicators as part of the monitoring processes that shape macroeconomic policy decision-making.

### *Improving business environments for growth and sustainability of SMEs*

Enterprise growth requires access to credit, energy and infrastructure. Regional initiatives linked to promoting sustainable enterprises, including SMEs are discussed in detail in Bali Declaration Policy Brief No. 7.

### *Increase investment in skills development to enhance employability of workers*

Governments and businesses need to anticipate skills demand through sectoral bodies such as skills councils. In close consultation with industry and workers' groups, these councils can develop industry skills gaps studies, set standards, certify skills, improve the quality of training provided by technical and vocational education and training (TVET) institutions and enhance connectivity between education and training institutions and employers. Several countries have taken positive steps in this regard by setting up institutional mechanisms such as Sector Skills Councils (SSC) in India and Industry Skills Councils in Bangladesh. Such practices should be complemented by well-designed active labour market policies including more effective public employment services (PES). Other good practices exist in the area of formal skills recognition; domestic workers in Indonesia and the Philippines are benefiting from training to align their competencies to the formal national standards.

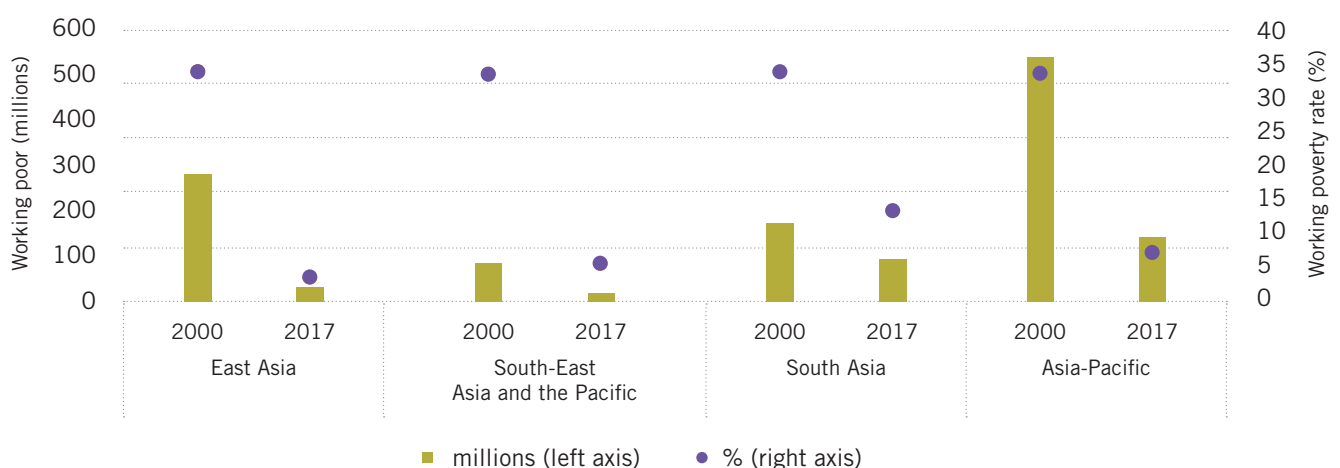
### *Targeting efforts at promoting decent jobs for young people and traditionally disadvantaged categories of workers*

Countries such as the Philippines, Samoa and Sri Lanka have developed national action plans on youth employment that aim to promote youth employment and entrepreneurship, ease the school-to-work transition and ensure rights for young people. In addition, the expansion of public job centres in Cambodia have improved job matching and employment counselling for young people. In regard to entrepreneurship, the ILO has promoted a training package in schools and vocational training centres called Know About Business (KAB), which has now been adopted in over ten countries in the region. Moreover, in Cambodia, China and Indonesia, efforts have also focused on promoting rights at work for young people. More information related to ILO action targeted towards promoting the rights of migrant workers are included in Bali Declaration Policy Brief No. 6.

### *Eliminate unacceptable forms of work and address regulatory gaps in areas of non-standard forms of employment that do not align to the Decent Work Agenda*

For actions associated to unacceptable forms of work that do not respect the fundamental principles and rights at work such as child labour and forced labour (see Bali Declaration Policy Brief No. 4). With regards to new forms of work, further investigation is required to promote actions that ensure equal treatment among workers regardless of their contractual arrangement. This could include policies that establish minimum guaranteed hours as recently enacted in New Zealand, legal recognition of non-standard workers such as home-based workers in Pakistan or reforms in labour laws to add protection for contract workers (see Bali Declaration Policy Brief No. 5). Also important is strengthening collective

## DESPITE PROGRESS, STILL 134 MILLION WORKERS IN ASIA-PACIFIC WERE UNABLE TO LIFT THEMSELVES OUT OF EXTREME POVERTY IN 2017



Note: Extreme working poor are defined as workers living in households with a cumulative income of less than US\$1.90 per day. The extreme working poverty rate is the share of extreme working poor in total employment.

Source: ILO: ILOSTAT Database [accessed 22 October 2018].

bargaining coverage for workers that fall outside the scope of standard contracts, building the capacity of unions to represent them, and ensuring all workers benefit from freedom of association (see Bali Declaration Policy Brief No. 11).

### *Accelerate the transition of workers from the informal to the formal economy*

The ILO Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), adopted by the International Labour Conference in 2015, encourages countries to design coherent and integrated strategies to facilitate such transition and to make, where appropriate, formalization of employment a central goal of national employment policy frameworks. Countries in the region, such as India and Nepal have initiated strategies to formalize the informal economy in line with Recommendation No. 204.



**We need to make sure that all jobs, regardless of their contractual arrangement, provide workers with adequate and stable earnings, protection from occupational hazards, social protection and the right to organize and bargain collectively.**

– Deborah Greenfield,  
ILO Deputy Director-General for Policy

## WHERE DO WE GO FROM HERE?

Promoting decent jobs is at the core of the ILO's mandate. Ongoing and planned efforts include providing tailor-made policy advice on comprehensive employment and skills policies and specific elements thereof using operational tools such as jobs diagnostics, employment impact assessments, skills anticipation methodologies and school-to-work transition surveys. Other activities involve facilitating tripartite employment policy dialogue and advising on effective inter-ministerial coordination mechanisms, building constituents' capacities, strengthening research and knowledge sharing, including on emerging patterns in labour markets and the future of work.

### *Some recent events*

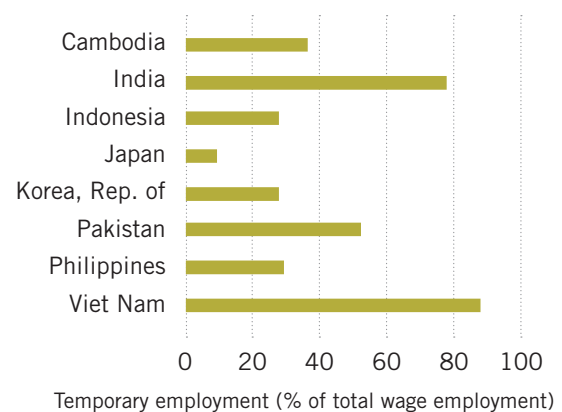
In November 2018, the ILO-Korea Technical and Vocational Education and Training (TVET) Forum on Skills and the Future of Work, brought together governments, worker and employer representatives and skills experts from 12 countries in Asia-Pacific to discuss how skills strategies can help address the challenges and disruptions facing labour markets in the region. The event also posed an opportunity to launch the ILO publication, *Skills and the Future of Work: Strategies for Inclusive Growth in Asia and the Pacific* (ILO, 2018c).

On 3 December 2018, the China Disability Policy Dialogue was held in Beijing, during which the Global Business and Disability Network (GBDN), an initiative of the ILO, launched its China Chapter in Beijing.

In September 2018, Fiji adopted its first ever National Employment Policy, with particular focus on promoting green job skills and providing career guidance for students on green jobs. In Lao PDR, the ILO is supporting the development of a first National Rural Employment Strategy (NRES). A first draft of the report was under review in November 2018.

Over the course of 2018, the ILO has been conducting Youth Rights@Work Campaign in Indonesia. The campaign is part of the ILO's efforts and campaign in promoting decent work for all, including youth. Developed in collaboration with Pamflet, a youth organization, it is hoped that the campaign would raise the awareness of all key labour actors, not only young people, regarding protecting rights of young workers at work.

## PERVASIVE TEMPORARY EMPLOYMENT EXACERBATES THE CHALLENGE OF POOR JOB QUALITY



Note: Data are for 2017 or closest available year.

Source: ILO: ILOSTAT Database [accessed 10 October 2018].

### Useful references:

International Labour Organization (ILO). 2016a. *Non-standard employment around the world: Understanding challenges, shaping prospects* (Geneva).

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