



Skills Development and Responsible Business Conduct for Transition

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► At a glance



Key areas of work

- Skills development for increased employability and productivity
- Promotion of human rights and business principles through skills development
- International Labour Standards for ensuring responsible business conduct



Partners

- Ministry of Labour, line ministries/agencies
- Industries, employers' and business membership organizations (EBMOs), sector associations
- Trade unions
- Japanese constituents and industry stakeholders



Donor

Ministry of Economy, Trade and Industry of Japan (METI)



Duration

April 2023 – March 2025 (24 months)



Target beneficiaries

- Enterprises, employers and workers
- Policy makers
- Training institutions



Sectoral focus

Automotive

The “**Skills Development and Responsible Business Conduct for Transition**” project is part of the Automotive Supply Chain Programme in Thailand. The purpose is to harness opportunities to improve human capital, decent work & responsible business in the country's leading sector.

The world is experiencing a digital transformation driven by rapid technological progress and a just transition to sustainable economies and societies for all. In parallel, sectors are evolving in their production and operations, necessitating that the labour force to adapt to ensure sustained productivity and inclusive growth. Building on these dynamics, the project aims to contribute to human-centered policy and programme development as a response to the recent structural transformations in the global supply chains. The project is built on three main objectives:

- advance skills development that enhances workers' adaptability and productivity, facilitating structural transformation towards a sustainable economy that respects human rights and aligns with national development priorities
- promote public-private partnerships in delivering skills development interventions, adhering to responsible business conduct principles within the supply chains
- cultivate a policy and practice landscape that strengthens supply chain resilience through enhanced trade and investment strategies

The project will be implemented in Thailand and Indonesia, with a focus on the automotive sector in Thailand and the electrical & electronics sector in Indonesia, while

advocacy and awareness raising efforts will form the Japan component. It will rely on ILO instruments and strategies to support social partners in targeted supply chains to foster job creation, encouraging businesses to adopt business and human rights principles. Working with key actors in the supply chains, the project will develop and pilot training programmes that target workers and managerial staff aiming to upgrade their skills while and increase their awareness on responsible business conduct. By contributing to improved workplace communication and access to upskilling and reskilling interventions, the project aspires to contribute to improved working conditions and increased productivity.

Automotive sector in Thailand: Key facts

- Leading automotive producer-exporter in ASEAN: 10th largest in the world¹, with the capacity to produce over 2 million units per year
- Accounts for roughly 10 per cent of the country's GDP and contributes US\$ 10.9 billion to country's export value in 2021², mostly for the Asia and the Pacific region
- Dominated by 19 major automotive companies, 8 of which are Japanese
- Employs 850,000 people for the entire sector – with 520,000 employees in automotive manufacturing alone in 2023³
- Ambitious plans to be a leading producer of zero-emission and e-vehicles by 2030, with 30,000+ specially trained EV workers⁴
- Opportunities to advance decent work in the sector include bridging skills gaps and shortages and enhancing working conditions through social dialogue and collective bargaining (at enterprise & industry level)⁵

Outcome 1:

Enhanced capabilities of ILO constituents to increase job opportunities in higher value-added industry by **skills development to enhance workers' responsiveness and productivity for structural transformation to a sustainable economy**, including respect for human rights, which is consistent with the country's development priorities.

Output 1:

Constituents strengthen tripartite and bipartite **social dialogue** towards better working environment in which workers', including women, those in marginalized and vulnerable situations and people with disabilities, skills are harnessed for increased productivity and responsiveness to transitions

Output 2:

National and provincial vocational training institutions increase their capabilities to provide trainings for re-skilling and up-skilling, that is also inclusive and gender-responsive, in view of national context concerning structural transformation and just transition as well as responsible business

Output 3:

Enterprises increase their capacity through in-house, activity-based improvement programmes so that workers, including women, those in marginalized and vulnerable situations and people with disabilities, and managers are equipped to meet productivity requirements alongside decent work and environmental sustainability

- 1 ASEAN Automotive Federation 2022 Statistics, ASEAN Automotive Federation (AAF), 2023.
- 2 Export Destinations, The Observatory of Economic Complexity (OEC), 2021.
- 3 Number of employees (private sector) in the automotive and auto-part industry (2001-23), National Statistical Office of Thailand (NSO), 2023.
- 4 Thailand's 13th National Economic and Social Development Plan (2023-27).
- 5 ILO-Japan RISSC project's research study on decent work and responsible business practices in Thailand's automotive manufacturing sector, 2023.





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Outcome 2:

Stronger institution and tripartite collaboration **to promote responsible business conduct and respect for the principles of international labour standards**, and corporate activities in harmony with the country's development priorities

Output 1:

Enterprises increase their capacities to comply with national laws and respect human rights, including the fundamental principles and rights at work and other labour rights, as well as to conduct human rights due diligence in line with the UN Guiding Principles on Business and Human Rights and the ILO Multinational Enterprises and Social Policy Declaration (MNE Declaration).

Output 2:

Government agencies in charge of trade and investment as well as labour and **employment equip their knowledge base for responsible business conduct and respect for the principles of international labour standards (ILS)** for sustainable value chains that contribute national development priorities and growth strategies that is also inclusive and gender-responsive.

Outcome 3 (Japan):

Enabling environment in policy and practice towards a transition to resilient value chains from the perspective of sustainable and inclusive trade and investment.

Output 1:

Awareness is raised among investors, trading companies and multinational enterprises in terms of international investment opportunities for men and women through worker's skills and enterprises' efforts towards sustainable and resilient value chains among environment, social and governance (ESG) investment.

Output 2:

Governments and social partners increase their evidence base and policy commitment for future home-host dialogues and national social dialogues on skills development and investment promotion with a view to create more decent work through responsible business conduct and respect for the principles of ILS.

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