



## Skills Development and Responsible Business Conduct

A vocational student is doing on-the-job training in the electronic sector at the industrial area of MM2100, 2019, © Feri Latief/ILO



### Key areas of work

- ▶ Enhancing stakeholder knowledge & capacity
- ▶ Skill Development system: Vocational Training and Apprenticeship
- ▶ Research and analysis
- ▶ Policy advice, tools & guidance



### Partners

- ▶ Ministry of Manpower & other ministries/agencies
- ▶ Industries, Employer & Business Membership Organizations (EBMOs)
- ▶ Trade unions
- ▶ Japanese constituents & industry stakeholders



### Donor

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



### Duration

April 2023 – March 2025 (24 months)



### Target beneficiaries

- ▶ Industries, employers and workers
- ▶ Policy makers
- ▶ Training institutions



### Sectoral focus

Electricity and Electronic

The world is experiencing a phase of substantial changes, digital transformation due to the acceleration of technological advancement and implementation, and just transition towards environmentally sustainable economies and societies for all. All sectors accordingly, are accommodating the structural transformations. Some positions may be eliminated entirely but other new jobs are emerged

The “**Skills Development and Responsible Business Conduct**” project aims at supporting a human-centred recovery from recent disruptions in the global supply chains. The project carries three main objectives:

- ▶ 1) to provide 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;
- ▶ 2) to promote responsible business conduct (RBC), including corporate activities in harmony with the country’s development priorities, and respect for the principles of international labour standards; and
- ▶ 3) to promote an environment to contribute towards a transition to resilient supply chains from the perspectives of trade and investment (implemented only in Japan).

The project will target the following sectors and countries:

- ▶ Thailand: Automotive
- ▶ Indonesia: Electrical & Electronics

The project will rely on the ILO instruments and relevant approaches from past experience to assist governments, employers and workers in selected supply chains and countries to increase job opportunities in higher value-added industries, as

well as to promote responsible business practices in line with international labour standards and in harmony with the country's development priorities. The project will be conducted with a collaboration among significant stakeholders at the different levels of supply chains. Workers (and their representative challenges and policy options organisations) and managers at the enterprise level will be empowered through occupation-based reskilling and upskilling training and will be supported to enhance social dialogue and industrial relations, which in turn will contribute to improved working conditions and overall enterprise performance and productivity following the structural transformation of the economy.

#### ► 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

#### Electronics sector in Indonesia

##### Key Facts\*

- Relatively small but nationally prioritised industry
- Heavy domestic market focus, but with aspirations for GSC integration
- Key products: Home appliances (local), digital electronics (joint ventures) and computers
- Key foreign investors: Japan, Korea, Singapore and increasingly China
- 260.000 workers, 64% female in computer, electric and optical products and 40% female in electrical equipment (2019)
- USD 7.8 billion total export value
- 13.5% Share of total Foreign Direct Investment (2017)

#### ► 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

\* ILO Working Paper: The electronics industry in Indonesia and its integration into global supply chains, 2019

### ► 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



University students are doing on-the-job training programme conducted by the university as part of the skills development in Jakarta, 2019. © Feri Latief/ILO

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