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# Asia-Pacific Employment and Social Outlook

**2018** Advancing decent work  
for sustainable development



# **Asia-Pacific Employment** and **Social Outlook 2018**

Advancing decent work for  
sustainable development

Regional Economic and Social Analysis Unit  
International Labour Organization, Bangkok

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# Foreword

With nearly two decades of strong economic growth, the world's highest employment ratios and lowest unemployment rates, Asia and the Pacific is featured as one of the world's most dynamic regions. Unfortunately, these indicators can be misleading and mask persistent and deep structural challenges. Despite experiencing near full employment, jobs are often linked to poor working conditions, do not generate stable incomes and are unable to lift workers and their families out of poverty. In other words, the region's economic development has not been accompanied by sufficient gains in decent work, and the gains from the economic growth have been uneven. Many are being left behind.

In the context of the 2030 Agenda for Sustainable Development, this first issue of the *Asia-Pacific Employment and Social Outlook* (APESO) underlines numerous shortcomings in the outcomes that link to the global Decent Work Agenda and to Sustainable Development Goal (SDG) 8 on "sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all".

As in the ILO's annual flagship report *World Employment and Social Outlook: Trends* (WESO), the APESO presents the latest estimates and projections of key indicators of the labour market, and showcases both positive and negative labour market trends across Asia and the Pacific. On the positive side, labour productivity has increased and, to a certain extent, has brought about increases in real wages for many of the region's workers. Over the last twenty years, the share of persons in vulnerable employment has decreased by one fifth, and the share of persons in working poverty has decreased by as much as two thirds.

These are important improvements that can serve as a source of inspiration for countries to ramp up efforts to improve the lives of the millions of workers who have so far been left behind from the benefits of economic growth. The scale of this challenge is somewhat daunting. The APESO 2018 notes that despite the gains, there are still 446 million workers in the region living in moderate or extreme poverty. 930 million workers are still struggling to make a living in vulnerable employment as own-account or unpaid contributing family workers.

As a majority of countries in the region are still uncomfortably distant from the decent work-related SDG targets, this report raises a serious red alert on the region's capacity to achieve SDG 8. Action needs to be grander, bolder, smarter and faster if countries are to get themselves on track to reach the commitments agreed to under the 2030 Agenda. As the world leaders adopted the 2030 Agenda, ILO constituents – governments, workers' and employers' organizations – in the Asia-Pacific region renewed their resolution to accelerate their efforts to promote inclusive growth, social justice and decent work in the Bali Declaration, adopted at the 16th Asia and Pacific Regional Meeting in December 2016.

The commitments are clear, but translating commitment to action remains a huge challenge. This APESO 2018 can be an important wake up call, and also can help guide our constituents in their efforts to implement the 2030 Agenda. It offers some advice on building the right policy mix to accelerate action on SDG 8 and reminds us that getting serious about decent work means tackling some of the unattended and incomplete tasks in the region, for example in the areas of social protection, labour standards and social dialogue.

I believe this first edition of the *Asia-Pacific Employment and Social Outlook (APESO)* can be an informative and useful report for anyone interested in the labour market situation in the Asia and the Pacific region, and in particular for governments and social partners as they strive to make progress towards decent work and inclusive growth, ensuring that *no one is left behind*.



**Tomoko Nishimoto**  
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International Labour Organization



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# Abbreviations

EPR	employment-to-population ratio
ESCAP	Economic and Social Commission for Asia and the Pacific
FDI	foreign direct investment
GDP	gross domestic product
ICLS	International Conference of Labour Statisticians
ILO	International Labour Organization
IMF	International Monetary Fund
Lao PDR	Lao People's Democratic Republic
LFPR	labour force participation rate
MDGs	Millennium Development Goals
NEET	not in employment, education or training
OECD	Organisation for Economic Co-operation and Development
OLI	Online Labour Index
PPP	purchasing price parity
SDG	Sustainable Development Goal
UNDP	United Nations Development Programme

Unless specified, all \$ currencies are US dollars.

# Executive summary

## Strong records of economic growth in the Asia-Pacific region have benefited many workers.

In many ways, these are exciting times for Asia and the Pacific as a region. Dynamic growth and changing political winds have put the region at the threshold of a new world order. The regional gross domestic product (GDP) growth rate of 5.7 per cent in 2017 was well above the global rate of 3.8 per cent. Among the emerging and developing countries in the region (defined in [box 1](#)), growth reached a remarkable annual average of 7.6 per cent between 2007 and 2017, which was enough to propel eight countries from low-income to middle-income status. The region has also benefited from high labour productivity growth. Between 2007 and 2017, labour productivity (defined as output per worker) in the Asia-Pacific region increased by an average of 5 per cent annually, more than double the global average of 2.2 per cent.

To a certain degree, the impressive economic growth record and labour productivity gains have filtered down to the improved well-being of the region's workers and their dependants. For the majority of people in this region, it is the value of their labour that determines their income status, standard of living and well-being as well as that of their household. In fact, it is mainly through the labour market – work – that the benefits of economic growth spread to the general population and that living standards grow. The region has both the world's largest proportion of workers in the working-age population and the world's lowest unemployment rate. Nearly three in five (59.7 per cent) persons in the region were working in 2017 (compared with 58.7 per cent globally) while the share in the labour force that was unemployed – the unemployment rate – remained low at 4.1 per cent (5.5 per cent globally). The region also maintained the world's lowest youth unemployment rate in 2017 at 10.4 per cent (12.6 per cent globally).

Along with the consistently high rates of employment, the statistics also reflect some important progress in the returns from work. Most importantly, the incidence of working poverty at both the extreme and moderate levels (workers in households living on income that is less than \$3.10 per day) has remarkably reduced, resting now at one third the share of two decades earlier (23.3 per cent in 2017, compared with 64.9 per cent in 1997). Likewise, the share of workers in vulnerable employment – as own-account workers or contributing (unpaid) family workers – declined from 61.4 per cent of total employment in 1997 to 48.6 per cent in 2017.



## **Yet there is still a long way to go to overcome remaining decent work deficits.**

Although the aggregate labour market picture is thus somewhat positive, there is still a long way to go in bringing all workers in the Asia-Pacific region closer to conditions of decent work and shared prosperity. Even with the rapid progress in poverty reduction, still one fourth (446 million) of all workers in the region lived in moderate or extreme poverty in 2017. And 930 million workers – nearly one in two (48.6 per cent) workers – remained in vulnerable employment, which is the second-largest share in the world, after sub-Saharan Africa. What's more, the declining trend in the vulnerable employment rate is expected to reverse, with the regional share rising again towards 49 per cent by 2020.

More than two in three workers in the region were in informal employment in 2016, which is closely linked to vulnerable employment. While having a paid job is generally equated to less vulnerability of workers to income instability, in Asia and the Pacific there are still millions of employees who receive a wage but lack employment benefits and have little job security. An assessment of workers' perceptions using information in the Gallup World Poll found that workers feel concerned about work quality issues in most countries in the region, rich and poor alike. Stress, due to the lack of job (and income) security, the burden of long working hours among some workers in the region and a lack of social benefits have an impact on the well-being of workers and the households that depend on them. Another indirect effect comes with the limited capacity of such workers to save or invest in housing, durable goods and services, thus limiting the potential of consumption-led growth.

In general terms, the labour market gains evident in the Asia-Pacific region in the past few years remain present but fragile. Decent work deficits persist in all countries in the region and continue to weigh heavily on development trajectories. In developing Asian-Pacific countries, workers continue to be vulnerable to household crises – injury or death of a breadwinner, loss of job, natural disaster, crop failure, etc. – that threaten to push them backwards into poverty. With few countries in the region with a fully functioning social protection system that could stabilize household income levels and ease the impact of economic shocks, a secured pathway to sustainable and inclusive economic growth for the region is not guaranteed.

## **The near future is unlikely to show additional improvements.**

Over the coming years, economic growth is expected to remain strong in the region, with growth rates of 5.6 per cent expected for 2018 and 2019, compared with 3.9 per cent at the global level. Yet there are lingering fragilities in the foundations of growth in the region that have the potential to offset the positive forecasts. Recent threats of increased trade protectionism are already having an impact on investment in the manufacturing sector, which many workers in the region continue to rely on for their livelihoods and occasionally their first foray into paid employment. Demographic trends, and in particular the impact of ageing societies, are adding strain to the already-limited social protection systems and call into question future labour productivity gains. Ongoing adjustments to technological developments could prove disruptive to employment flows, especially for workers at the medium-skill level. Also, environmental degradation, exhaustion of natural resources and the increasing incidence of climate-related natural disasters add uncertainty to the region's future growth trajectory.

While the aggregate regional unemployment rate is projected to hold steady at 4.1 per cent through 2020, the share of persons in both the labour force and employment will continue to decline in the Asia-Pacific region, reflecting slowed population growth as well as increasing educational enrolment. The reduced productive potential of a shrinking labour force threatens to undercut the region's reputation as the world's assembly line. Also worrying are the projected trends in vulnerable employment and the gender gap in the labour force participation rate, both of which are projected to move in the wrong direction in the coming years. The gap between the male and female labour force participation rates is projected to widen between 2017 and 2020, led by Eastern Asia and Southern Asia, much to the frustration of all parties pushing regional and national agendas towards gender equality. And after years of positive trends in lowering vulnerable employment, the share is projected to creep up again towards 49 per cent by 2020.

### **A mixed picture emerges across subregions and among countries.**

There is no one "Asia" or "Pacific", and it is important to avoid the pitfall of overgeneralizing for a region that encompasses nearly 40 countries, each of which has its own history, culture, social norms, geography, global connections, natural resources and political institutions that determine, as both cause and effect, the circumstances of the national labour market. In other words, diversity prevails across subregions, income levels, national geography, between the sexes and more. To the extent possible, this report highlights the continuing variations among labour markets in the region across diverse characteristics.

### **All countries stand to benefit from a strengthened focus on decent work as a driving mechanism for inclusive growth.**

The development pathways taken by most countries in the region are not sufficient to overcome the decent work deficits. The emerging and upper-middle-income economies of the region have made remarkable progress in (primarily) export-led growth, yet continue to find it difficult to surpass structural compositions of labour that result in the continuing presence of vulnerable and informal employment. The emerging economies of the Asia-Pacific region have shares of workers in vulnerable employment that are three times those of the region's high-income economies. The industrializing, lower-middle-income economies that are now seeing growth rates in excess of 6 per cent still have half of their workers in vulnerable employment and more than a third of workers in extreme or moderate poverty. The stark differences in the labour market structures by income levels point to the important role to be played by labour market governance and related labour market policies. Where labour market governance is weak, decent work deficits continue to prevail despite strong economic growth.

Many middle-income countries in the region continue to favour growth strategies based on macroeconomic policy mixes with limited attention to social welfare development and labour market governance. In the absence of policy mixes that promote growth that is sustainable and inclusive in nature, millions of workers in developing Asian-Pacific countries remain precariously balanced just above the poverty threshold. And the high-income countries in the region and some of the larger middle-income countries, such as China, India and Indonesia, are now experiencing a growing disconnect between growth and inclusiveness, measured in income inequality.

When viewed in the context of the 2030 Agenda for Sustainable Development, this report highlights numerous shortcomings in the outcomes that link to the ILO's Decent Work Agenda, most specifically, the many targets in Sustainable Development Goal (SDG) 8 on "sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". Most countries in the region are well behind the SDG targets set for extending social protection, eliminating child labour and forced labour, engaging young persons in productive activities (either in education or in employment), supporting the transition from informal to formal economy, reducing gender equality in all occupations and other target areas that link to decent work. With so many key elements of decent work still missing or weak, countries in the region are limited in their capacity to translate economic growth to inclusive growth. There is thus genuine reason for concern when it comes to the region's potential to achieve SDG 8 by 2030.

## **National commitments to the 2030 Agenda offer a renewed opportunity to advance decent work for sustainable development.**

The region's future prospects will require that economic growth go hand in hand with a further expansion of decent work. The commitment of countries to the 2030 Agenda offers an important opportunity to refocus attention on decent work as an accelerator of inclusive growth, but a significant amount of work remains to translate commitments to positive achievements towards SDG 8.

The evidence on labour market trends in the report highlight the continuing vulnerabilities of persons on the lower rungs of the income ladder, with the lack of stable jobs and social benefits among the culprits. Productivity growth in the region has been strong, as has employment growth and even pro-poor growth, but the growth trajectories of many countries have not proven to be inclusive. To make the equation in SDG 8 work – to expand decent work opportunities to promote sustainable and inclusive economic growth – this report defines a framework for combining the policy elements already embedded in SDG 8 (targets linked to the productivity growth, the promotion of decent work and labour rights) to those intending to counteract inequalities that are included in SDG 10.

In the context of growth built on fragile foundations, a refocus is warranted on the stabilizing elements that are embedded in the four pillars of the International Labour Organization's (ILO) Decent Work Agenda – promoting decent jobs, guaranteeing rights at work, extending social protection and promoting social dialogue. As the Asian-Pacific countries move further towards implementation of the 2030 Agenda, they will be well placed to give priority to the expanded "SDG 8+" that is proposed in this report and, to take bolder action in the policy areas that will keep decent work front and centre in the development agenda.

## **Structure of the report**

This report pulls together the most recent labour market statistics to take stock of developments in the world's most populous and dynamic region while also drawing attention to the policy challenges that threaten to inhibit inclusive growth. Chapter 1 of this report highlights the latest labour market trends in the region, including total employment, employment by age and sex, labour force participation, unemployment, working poverty, vulnerable employment, informal employment, sector-based employment, contract types, non-standard forms of work and working

hours. The chapter provides an aggregate picture of the current labour market situation in the region but goes into more detail, analysing where the decent work deficits continue to persist. The chapter includes also a summary of projected trends through 2020.

Chapter 2 aligns the portrait of labour market trends to the current global context of the SDGs. The chapter provides governments and social partners with an approach for, first, articulating decent work as an accelerator of economic growth and sustainable development and, second, mapping the elements of decent work in the SDGs with the existing empirical evidence to back up the story of decent work-led acceleration. Finally, Chapter 3 summarizes the region's principal labour market trends from an income-level perspective, with a focus on future challenges and policy implications for consideration by governments and social partners as they strive to make further progress towards decent work and inclusive growth, hopefully using the SDG framework and focusing on SDG 8+ as a mechanism to accelerate progress.

## Key labour market trends

- **Asia and the Pacific as a region (globally) has the most people working, relative to the working-age population.** Indeed, the employment-to-population ratio remains higher than in any other region of the world, at 59.7 per cent (compared with 58.6 per cent at the global level). The regional employment-to-population ratio is mainly driven by South-Eastern Asia and the Pacific and by Eastern Asia. Despite strong employment growth, driven by a rapidly expanding working-age population, Southern Asia's employment-to-population ratio remains below the global average, pushed down mainly by a female labour force participation rate, that is among the weakest globally.
- **Labour force participation rates among the older population and youth are high in Asia and the Pacific.** The region's labour force is ageing rapidly, and the labour force participation rates are high among the older population, especially in low- and lower-middle-income countries, where the economic circumstances often force older persons to work to make a living. The labour force participation rates among youth are also particularly high in low-income countries. However, in many countries of the region, a substantial proportion of youth – especially young women – are not in employment, education or training (NEET). In 14 of 26 countries of the region with available data, more than one in five women are NEET.
- **While the regional unemployment rate remains low, unemployment among youth and among workers with secondary and tertiary education remain as challenges.** The Asian-Pacific unemployment rate stood at 4.1 per cent in 2017, which was 1.4 percentage points below the global average and corresponded to nearly 81 million persons unemployed. While the global unemployment rate held steady for the past two years, the rate in the Asia-Pacific region increased slightly, by 0.1 percentage point. The youth unemployment rate was 10.4 per cent, with no change from 2015. While the composition of unemployment has become less youthful in recent years, still 35 per cent of the region's unemployed were youth aged 15–24, although youth made up only 20 per cent of the working-age population. In many emerging economies, unemployment is particularly pronounced among persons with secondary education, indicating a “hollowing out” of middle-skill jobs in these countries. But unemployment among tertiary graduates also remains a serious problem in a number of countries.

- Many workers remain close to poverty or are in vulnerable employment, and access to decent jobs remains a challenge for many persons.** While the Asia-Pacific region has experienced rapid progress to substantially reduce extreme poverty, one third of all workers in the region lived in moderate or near poverty in 2017, corresponding to 656 million workers. Vulnerable employment remains more common in the Asia-Pacific region than elsewhere, affecting 930 million workers, which is every second worker. These workers are either own-account workers or contributing family workers, whose employment situation, on average, tends to be less secure and more vulnerable to poverty. More than two in three workers were in informal employment in 2016, which is closely linked to vulnerable employment. The informal employment rate is particularly high in Southern Asia, where almost 88 per cent of workers were informally employed.
- Not all wage and salaried employment in the Asia-Pacific region is decent work.** In some developing and emerging economies of the region, a substantial percentage of employees do not benefit from a written contract. In other countries, use of temporary employment contracts is extensive, or there is a high incidence of occasional and daily work, with little job or income security. Holding multiple jobs is also not uncommon for some workers in the region and excessive working hours continues to be an area of concern. The average hours worked in Southern Asia and Eastern Asia in 2017 were the world's highest, at 46.4 and 46.3 hours per week, respectively. In Eastern Asia, almost one in five workers worked in excess of 60 hours per week. Many workers in the region have indicated their willingness to change jobs, mainly in search of better wages, better career prospects or better working conditions, including better hours of work. Also, gender inequality at work is perceived to be a major issue in some countries.
- Gender inequality in the world of work remains an issue of primary concern.** The gender gap in the labour force participation rate has hardly improved since 2000. In the Asia-Pacific region, the male participation rate exceeded the female rate by 30 percentage points in 2017, a decrease of only 1 percentage point since 2000. The gap was lowest in Eastern Asia (14 percentage points), rising to 25 points in South-Eastern Asia and the Pacific and to as high as 51 points in Southern Asia. At 27.9 per cent, the female labour force participation rate in Southern Asia is among the world's lowest (behind only the Arab States and Northern Africa). What's more, the rate has shown a downward trend since the early 2000s, demonstrating the firmly embedded structural blockage to women's work in the subregion.
- Structural transformation has been fast in the region, with employment moving from agriculture mainly into services and only to some extent into industry.** With regard to the sector distribution of employment, Asia and the Pacific has experienced a remarkable shift away from employment in agriculture over the past decades. Between 2000 and 2017, the share of persons working in agriculture had decreased by 58, 36 and 28 percentage points in Eastern Asia, South-Eastern Asia and the Pacific, and Southern Asia, respectively. Most of the loss in agriculture work was taken up by the increase in employment in the services sector, where 740 million jobs were gained since 2000. In South-Eastern Asia and the Pacific and in Southern Asia, industrial employment also increased, causing an overall gain of 108 million jobs in the whole region, most of which were in the construction sector.

# 1

## Labour market and social trends in Asia and the Pacific

### 1.1 Macroeconomic context

Asia and the Pacific remains the most dynamic region in the world when it comes to economic growth. The regional growth rate of 5.7 per cent in 2017 (from 5.4 per cent in 2016) was well above the global rate of 3.8 per cent.<sup>1</sup> Eastern Asia and South-Eastern Asia and the Pacific have been the two main subregional drivers of regional growth, with respective 2017 rates of 5.6 per cent (from 5.2 per cent in 2016) and 4.8 per cent (from 4.5 per cent in 2016). While Southern Asia saw its economic growth decline between 2016 and 2017, at 6.2 per cent in 2017 (from 7.5 per cent in 2016), the subregion remains the fastest growing in Asia and the world.

The middle- and low-income countries of the region (see [box 1](#)) continue to grow significantly faster than the high-income economies. The average annual GDP growth rate of emerging and developing Asia was 7.6 per cent between 2007 and 2017, which was enough to propel eight countries to middle-income from low-income status and for one country to jump to high-income status.<sup>2</sup>

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1 Growth estimates from IMF, 2018.

2 Bangladesh, Cambodia, India, Lao People's Democratic Republic, Pakistan, Papua New Guinea, Solomon Islands and Viet Nam. Another six countries shifted from lower-middle income to upper-middle income in the same period (China, Islamic Republic of Iran, Maldives, Marshall Islands, Thailand and Tonga). Based on assessment of the World Bank income classification (historical classification). For information, see <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups> (accessed 25 Apr. 2018). See also section 2.2. Country-level GDP growth rates are shown in [Annex table A1](#).

### Box 1 Subregional and income groupings

<b>Eastern Asia</b>	China, Hong Kong (China), Japan, Macau (China), Mongolia, Republic of Korea, Taiwan (China)
<b>South-Eastern Asia and the Pacific</b>	Australia, Brunei Darussalam, Cambodia, Cook Islands, Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Marshall Islands, Myanmar, New Zealand, Palau, Papua New Guinea, Philippines, Samoa, Singapore, Solomon Islands, Thailand, Timor-Leste, Tonga, Tuvalu, Vanuatu, Viet Nam
<b>Southern Asia</b>	Afghanistan, Bangladesh, India, Islamic Republic of Iran, Maldives, Nepal, Pakistan, Sri Lanka
<b>High income</b>	Australia, Brunei Darussalam, Hong Kong (China), Japan, Macau (China), New Zealand, Republic of Korea, Singapore, Taiwan (China)
<b>Upper-middle income</b>	China, Fiji, Islamic Republic of Iran, Malaysia, Maldives, Marshall Islands, Palau, Samoa, Thailand, Tonga, Tuvalu
<b>Lower-middle income</b>	Bangladesh, Cambodia, India, Indonesia, Kiribati, Lao People's Democratic Republic, Mongolia, Myanmar, Pakistan, Papua New Guinea, Philippines, Solomon Islands, Sri Lanka, Timor-Leste, Vanuatu, Viet Nam
<b>Low income</b>	Afghanistan, Nepal

Much of Asia's success is based on its exceptional export performance and the pace of integration into global investment flows. Despite the 23 per cent decline in foreign direct investment (FDI) flows at the global level in 2017, FDI held steady in the Asia-Pacific region, attracting an impressive 33 per cent of FDI inflows (UNCTAD, 2018). Important factors in the region's positive growth record are expanding intra-regional trade and investment, particularly between China, Japan and South-Eastern Asian countries, and also the growing consumption base. Home to more than 4.6 billion people in 2018 – 59 per cent of the world's total population – who boosted private consumption in the populous emerging economies, the region offers further potential for continued growth, especially in the expanding urban agglomerations that are now booming with life and culture.

The region has also benefited from high labour productivity growth. Between 1997 and 2007, labour productivity (defined as output per worker) in the Asia-Pacific region increased by 4 per cent annually on average, well above the global average of 2.4 per cent. In the past decade (2007–17), the growth of labour productivity, at 5 per cent per year, was even stronger (table 1.1). Among the subregions, Eastern Asia consistently performed best, with the highest productivity growth rates and also the highest increase between the two periods. Southern Asia also had an impressive jump in annual productivity growth in the latter period, at 4.8 per cent, which was 0.8 point higher than the previous period. In 2017, the level of labour productivity, measured in 2011 purchasing price parity (PPP), was four times greater in the high-income countries of the region than the low-income and lower-middle-income countries combined, although the gap is becoming smaller over time.

**Table 1.1: Labour productivity (output per worker, GDP constant 2011 international \$ in PPP)**

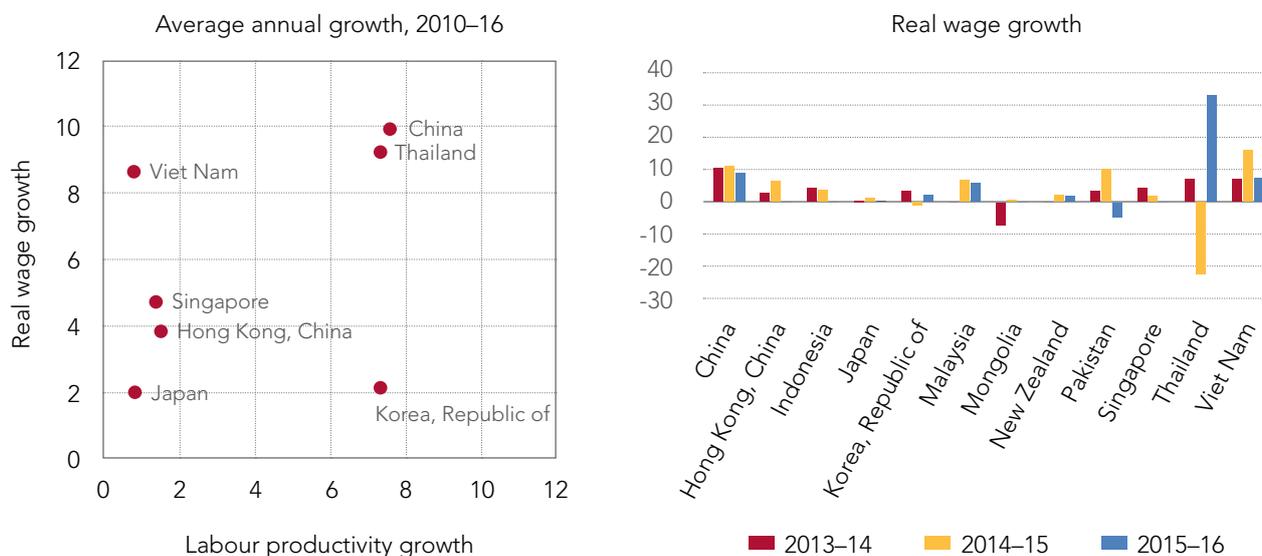
Income or regional grouping	Labour productivity levels (PPP)			Average annual productivity growth rates (%)	
	1997	2007	2017	1997–07	2007–17
Low-income Asia and the Pacific	2 452	3 077	3 907	2.3	2.7
Lower-middle-income Asia and the Pacific	7 600	10 549	16 782	3.4	5.0
Upper-middle-income Asia and the Pacific	7 139	14 719	29 375	7.5	7.6
High-income Asia and the Pacific	59 940	72 682	81 199	1.9	1.2
Southern Asia	7 618	11 225	17 385	4.0	4.8
South-Eastern Asia and the Pacific	15 873	19 174	25 422	2.0	3.0
Eastern Asia	11 887	19 363	33 490	5.0	5.9
Asia and the Pacific	11 157	16 545	26 253	4.0	5.0
World	22 831	28 791	35 354	2.4	2.2

Source: Calculations based on ILOSTAT, Output per worker (GDP constant 2011 international \$ in PPP) – ILO modelled estimates, May 2018 (accessed July 2018).

There is also positive news in the region in the growth of real wages, although there are limitations here on the availability of data. Among the few countries or economies with available data, real wage growth surpassed labour productivity growth between 2010 and 2016 in almost all cases<sup>3</sup> (figure 1.1, left panel). The increase in wages of employees looks especially strong in China, Thailand and Viet Nam. Only four instances of negative wage growth were noted in recent years (figure 1.1, right panel): Mongolia in 2013–14 (at -7.2 per cent), the Republic of Korea in 2014–15 (at -1.2 per cent), Pakistan in 2015–16 (at -4.7 per cent) and Thailand in 2014–15 (at -22.3 per cent). Yet, most of the countries reported wage growth at lower levels in the latter year of available data, which could indicate forthcoming limitations in the degree to which the gains of economic and labour productivity growth are shared with labour.

<sup>3</sup> Data on real wages are available for employees only. With country or economy coverage limited to employees of high-income and larger emerging middle-income countries only, it is safe to wonder if the seemingly positive portrait of wage growth would hold for lesser-developed countries in the region.

**Figure 1.1: Average annual growth in real wages and labour productivity, 2010–16 (left panel) and real wage growth, 2013–16 (right panel), available countries and economies in the Asia-Pacific region**



Note: Real wages are mean nominal monthly earnings of employees by sex (harmonized series) and labour productivity is output per worker, GDP constant 2011 international \$ in PPP (modelled series).

Source: Calculations based on ILOSTAT, Mean nominal monthly earnings of employees by sex and economic activity -- Harmonized series and Output per worker (GDP constant 2011 international \$ in PPP) -- ILO modelled estimates, May 2018 (accessed July 2018).

## 1.2 Trends in labour force participation and employment

### 1.2.1 Regional overview

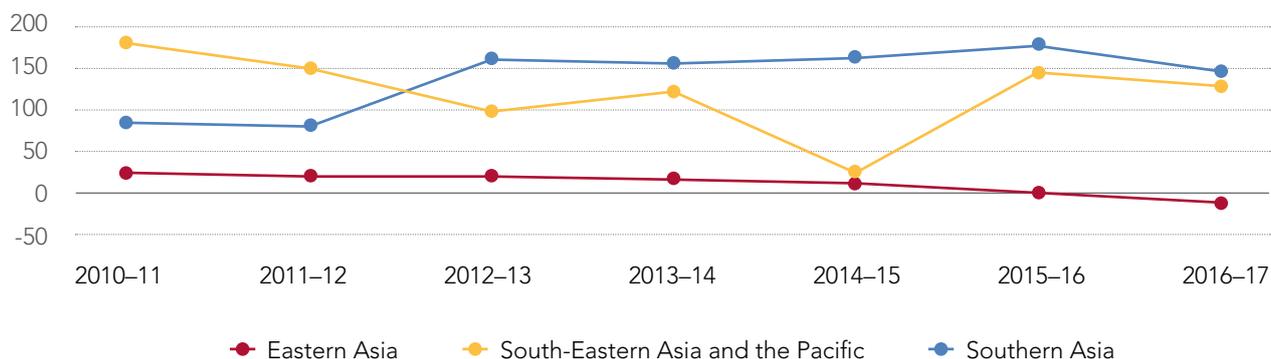
Of the world's 8.6 per cent employment growth between 2010 and 2017, 44 per cent – a gain of 115.6 million persons in employment – accrued to Asia and the Pacific. Employment growth in Southern Asia was especially strong, with annual rates of more than 50 per cent greater than the global average in the five years up through 2017 (figure 1.2).<sup>4</sup> The continuing strength of population growth in the subregion played a role here, with the working-age population (aged 15 years and older) growing proportionately, which resulted in a static employment-to-population ratio (EPR) over that same period.<sup>5</sup> In the most recent year in Southern Asia (2016–17), there was a considerable decrease in the rate of employment growth, although it remains above that of the other subregions. Contrast this with the low employment growth rates in Eastern Asia, a region where the working-age population is rapidly decreasing as the legacy of the one-child policy in China plays out. Finally, employment growth rates in South-Eastern Asia and the Pacific – where countries are more mixed in terms of population trends – show a more volatile record in annual employment growth rates, staying above the global rate in all years but 2014–15.<sup>6</sup>

4 The same can be said of only two other regions, where population growth also continues to be strong: Africa and the Arab States.

5 The EPR is an indicator of how many persons are employed among the available working-age population.

6 The dip in employment growth in the subregion in 2014–15 reflects the short period of negative growth in Indonesia. Employment numbers recovered in the country in 2015–16. Thailand also experienced a period of negative employment growth between 2012 and 2016, with positive growth returning in 2016–17.

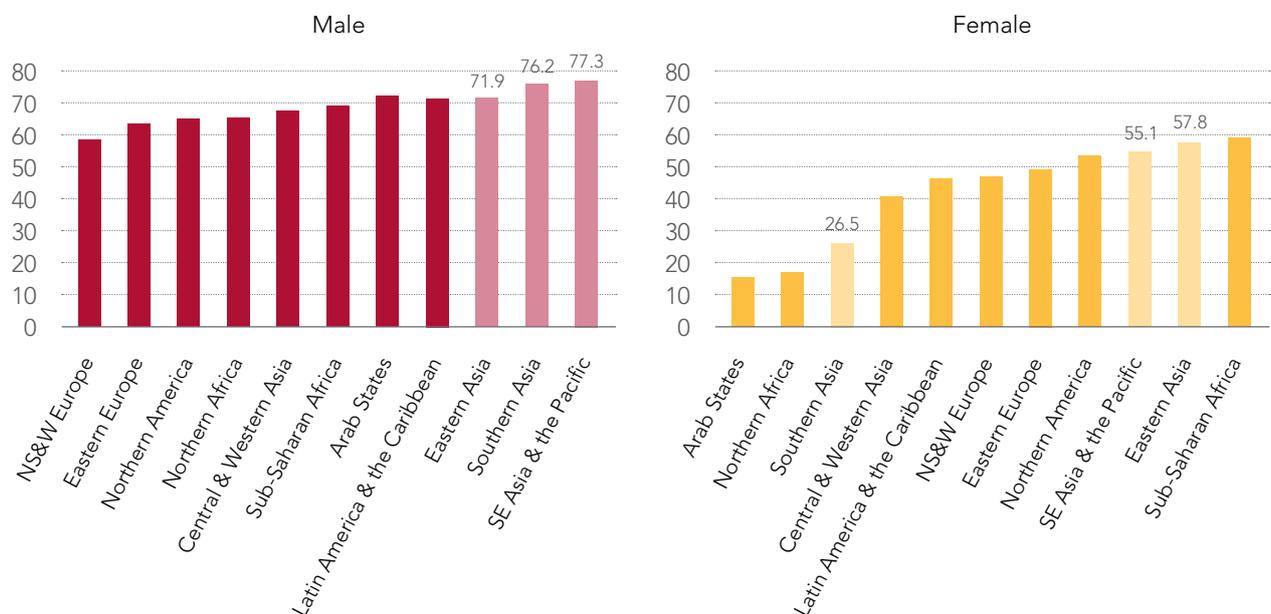
**Figure 1.2: Indices of annual employment growth, by subregion, 2010–17 (global annual growth rate = 100)**



Source: Calculations based on ILOSTAT, Employment by sex and age -- ILO modelled estimates, May 2018 (accessed June 2018).

With 1.9 billion workers – 1.2 billion men and 700 million women, the Asia-Pacific region harboured 60 per cent of the global workforce in 2017. The male EPR for the region is the highest in the world. In South-Eastern Asia and the Pacific and in Southern Asia, more than three-quarters of men older than 15 years were employed in 2017. In Eastern Asia, the share was not far behind, at 71.9 per cent (table 1.2 and figure 1.3). Only in sub-Saharan Africa are women more likely to work than in Eastern Asia and South-Eastern Asia and the Pacific (with a female EPR at 57.8 and 55.1 per cent, respectively).

**Figure 1.3: Male and female employment-to-population ratio, by subregion, 2017 (%)**



Note: For details on the composition of regional groupings, see Appendix A of ILO, 2018a. For details on the methodology for production of regional and global estimates, see Appendices B and C of ILO, 2018a, noting, however, that references in these sources are made to the November 2017 version of the Trends Econometrics Models. The latest model run of May 2018 includes additional historical revisions to a few national series.

Source: ILOSTAT, Employment-to-population ratio by sex and age -- ILO modelled estimates, May 2018 (accessed June 2018).

**Table 1.2: Labour force participation and employment, by subregion and sex, selected years**

Total	Labour force participation rate (%)					Labour force (million)				
	2000	2010	2015	2016	2017	2000	2010	2015	2016	2017
Asia and the Pacific	67.6	63.7	62.6	62.5	62.2	1 669.0	1 873.2	1 960.8	1 981.3	1 995.7
Eastern Asia	75.0	69.6	68.6	68.4	68.0	866.3	916.8	929.4	929.6	928.2
South-Eastern Asia and the Pacific	69.2	69.0	68.0	68.1	68.0	263.5	315.5	336.5	341.7	346.3
Southern Asia	57.8	54.9	54.0	54.2	54.1	539.2	640.9	694.9	710.0	721.2
World	64.8	62.8	62.2	62.1	62.0	2 783.8	3 197.3	3 387.6	3 430.2	3 464.9
	Employment-to-population ratio (%)					Employment (million)				
Asia and the Pacific	64.5	61.1	60.0	59.9	59.7	1 593.3	1 799.2	1 881.7	1 901.0	1 914.8
Eastern Asia	71.6	66.6	65.6	65.3	64.9	827.0	877.6	887.9	887.8	886.4
South-Eastern Asia and the Pacific	66.4	66.5	65.9	66.1	66.1	253.0	304.3	326.4	331.9	336.4
Southern Asia	55.0	52.9	51.9	52.0	51.9	513.3	617.2	667.4	681.4	692.0
World	60.7	59.2	58.8	58.7	58.6	2 612.0	3 014.0	3 203.1	3 240.6	3 274.9
Male	Labour force participation rate (%)					Labour force (million)				
	2000	2010	2015	2016	2017	2000	2010	2015	2016	2017
Asia and the Pacific	82.3	79.0	78.0	77.8	77.7	1 030.9	1 178.7	1 239.7	1 251.2	1 262.8
Eastern Asia	82.1	77.1	76.1	75.8	75.5	480.5	515.0	522.5	522.8	522.8
South-Eastern Asia and the Pacific	81.9	81.0	80.2	79.7	79.6	153.7	183.3	196.4	198.0	200.6
Southern Asia	82.7	80.4	79.2	79.2	79.1	396.7	480.5	520.8	530.4	539.4
World	78.5	76.2	75.5	75.3	75.2	1 679.3	1 938.6	2 056.3	2 079.7	2 103.0
	Employment-to-population ratio (%)					Employment (million)				
Asia and the Pacific	78.4	75.9	74.8	74.7	74.5	982.5	1 131.9	1 189.5	1 200.4	1 211.9
Eastern Asia	78.0	73.5	72.4	72.1	71.9	456.8	490.8	496.9	497.3	497.6
South-Eastern Asia and the Pacific	78.7	78.2	77.7	77.3	77.3	147.6	177.0	190.3	192.0	194.7
Southern Asia	78.8	77.6	76.4	76.3	76.2	378.0	464.1	502.3	511.1	519.6
World	73.7	72.0	71.6	71.4	71.3	1 580.1	1 833.3	1 950.5	1 971.4	1 995.0

Female	Labour force participation rate (%)					Labour force (million)				
	2000	2010	2015	2016	2017	2000	2010	2015	2016	2017
Asia and Pacific	52.5	47.9	46.7	46.7	46.4	638.1	694.5	721.1	730.1	732.9
Eastern Asia	67.7	61.9	61.0	60.7	60.2	385.8	401.8	406.9	406.8	405.3
South-Eastern Asia and the Pacific	56.9	57.2	56.0	56.6	56.6	109.9	132.2	140.1	143.7	145.7
Southern Asia	31.4	28.2	27.7	28.1	27.9	142.5	160.4	174.1	179.6	181.8
World	51.3	49.4	48.8	48.9	48.7	1 104.4	1 258.7	1 331.3	1 350.5	1 361.9
	Employment-to-population ratio (%)					Employment (million)				
Asia and the Pacific	50.2	46.0	44.8	44.8	44.5	610.8	667.2	692.2	700.6	702.9
Eastern Asia	65.0	59.6	58.6	58.3	57.8	370.2	386.8	391.0	390.5	388.8
South-Eastern Asia and the Pacific	54.6	55.1	54.4	55.1	55.1	105.3	127.3	136.0	139.9	141.8
Southern Asia	29.8	26.9	26.3	26.6	26.5	135.3	153.1	165.1	170.2	172.4
World	47.9	46.3	46.0	46.0	45.8	1 031.9	1 180.6	1 252.6	1 269.1	1 280.0

Note: See the explanation on regional groupings and methodology of global and regional estimates in figure 1.3.

Source: ILOSTAT, various tables of ILO modelled estimates (accessed May 2018).

For at least the past two decades, the EPRs of Eastern Asia, South-Eastern Asia and the Pacific, and Southern Asia hovered around 7 percentage points above the global average. Are such extreme results a good sign for a national labour market? From the historical perspective, certainly the abundance of workers, mostly low-wage labourers, was a driving force behind the expansion of manufacturing and subsequent export-led growth of many economies in the region. If the majority of workers benefit from decent work (see box 2), then high EPRs in the two Asian subregions can be seen as positive outcomes and as an important contribution to development. If, however, a majority of workers remain in poverty or linger above the poverty line and work in unregulated and unprotected conditions, then there is a disconnect between employment and well-being and the longer-term sustainability of growth can be called into question. Working-poverty results as well as other decent work indicators linked to quality issues are discussed in section 1.4.

## Box 2

### How is decent work measured?

Decent work is an abstract concept and as such has never been easy to quantify. When first introduced by the ILO Director-General Juan Somavia in 1999, he described it as “opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity” (ILO, 1999). Yet, perceptions of each of these specific aspects – freedom, security, etc. – vary from country to country and person to person. After years of effort, including the commissioning of a Meeting of Experts on the Measurement of Decent Work, the ILO sought to promote the universality of the basic elements of decent work with the release of a framework for decent work indicators in 2008. The list of indicators was enhanced, and a revised manual for measuring decent work was released in 2013 (ILO, 2013b).

The labour market indicators presented in this report fall within the framework of the decent work indicators. The framework covers ten substantive elements corresponding to the four strategic pillars of the Decent Work Agenda: employment opportunities; adequate earnings and productive work; decent working time; combining work, family and personal life; work that should be abolished; stability and security of work; equal opportunity and treatment in employment; a safe work environment; social security; and, social dialogue and employers’ and workers’ representation. Not all are covered in this report, and where topics are covered, typically an assortment of indicators are used. More recently, a selection of decent work-related indicators were included within the framework of the 2030 Agenda for Sustainable Development, primarily in relation to SDG 8 on economic growth and decent work. But the ten substantive elements of decent work are found in all 17 goals. Chapter 2 of this report highlights which decent work indicators are now called upon to help countries measure progress towards the SDGs.

The labour force of a country is broader than employment because it includes both persons of working age who are working and persons who are unemployed (defined as persons without work, available to work and seeking work). The labour force participation rate (LFPR) is the number of persons in the labour force (employed plus unemployed) as a share of the working-age population. Because employed persons are as much as 96 per cent of the labour force in the Asia-Pacific region, the regional and subregional trends in the LFPR closely follow those of the EPR.

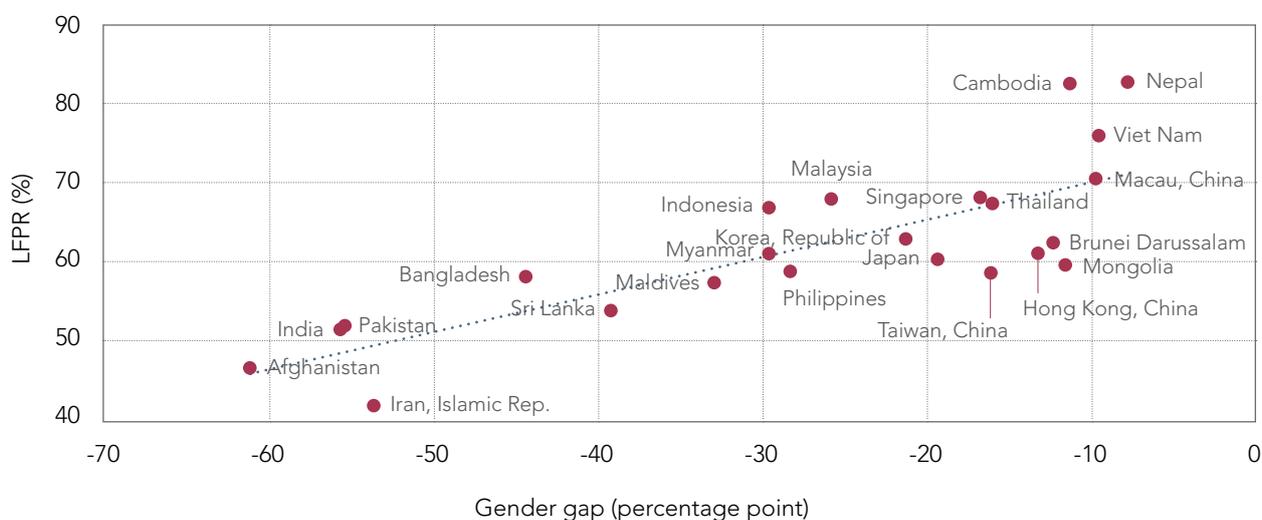
Gender gaps in the LFPR continue to plague the region and have hardly improved since 2000. In the Asia-Pacific region, the male participation rate exceeded the female rate by 30 percentage points in 2017, a decrease of only 1 percentage point since 2000. The gap was lowest in Eastern Asia (14 percentage points, down from 15 points in 2000), rising to 25 points in South-Eastern Asia and the Pacific (an increase from 24 points in 2000) and as high as 51 points in Southern Asia (down from 52 points in 2000). At only 27.9 per cent, the female labour force participation rate in Southern Asia was among the world’s lowest (behind only the Arab States and Northern Africa). What’s more, the rate in the subregion has shown a downward trend since the early 2000s, demonstrating further the firmly embedded structural blockage to women’s work. The issue is taken up further in the following subsection.

### 1.2.2 At the country level

Country data on LFPRs and EPRs (shown in [Annex tables A2](#) and [A3](#)) point to the heterogeneity across countries and subregions. In South-Eastern Asia and the Pacific (with the largest number of countries covered), Fiji has the lowest rate, at 57.1 per cent, while Cambodia has the highest rate, at 82.7 per cent. The national LFPRs for both sexes reflect the sensitivity to gender gaps.

Figure 1.4 plots the national LFPRs in latest years against the gender gap in LFPRs (in percentage points). Strong gender gaps, which is especially the case among countries in Southern Asia, drag the overall LFPRs to below the regional average of 59.7 per cent. Only in Indonesia, Malaysia and Myanmar is the overall LFPR more than 65 per cent, despite gender gaps of between 20 and 30 percentage points. Countries with ageing populations will feel increasing pressure to engage as many women as possible in economic activities. Already figure 1.4 shows relatively low gender gaps in some of the countries or economies known to have ageing populations (see following section 1.2.3), but others like Japan, Malaysia, Republic of Korea and Sri Lanka will need to take further action to encourage increased female labour force participation.

**Figure 1.4: Labour force participation rates and gender gaps, available countries and economies in the Asia-Pacific region, latest years**

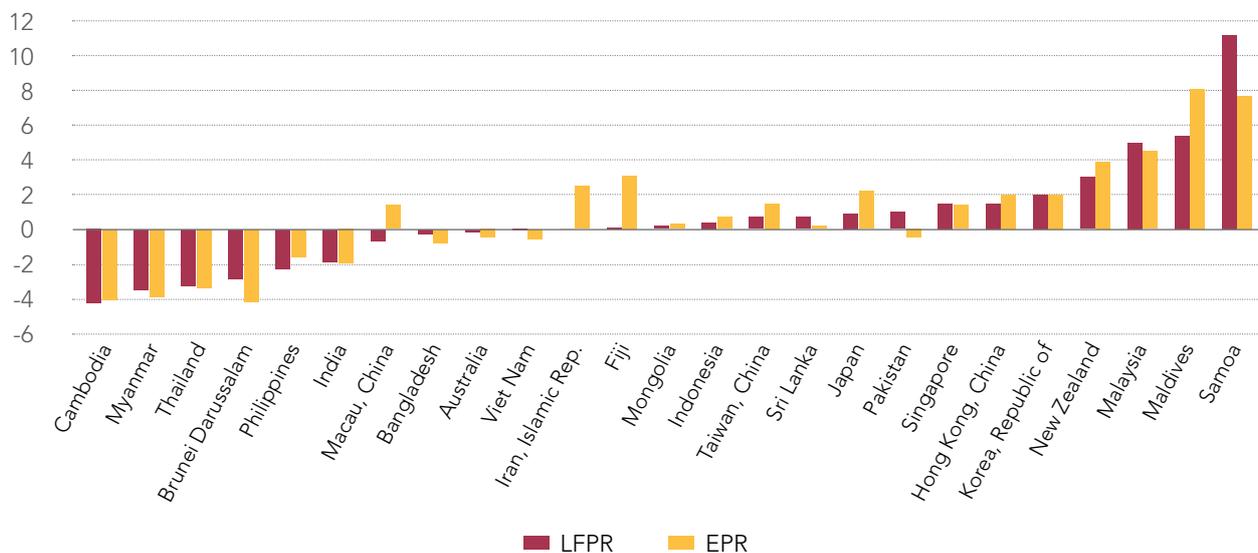


Note: The gender gap is defined as the female LFPR minus male LFPR.

Source: Calculations based on ILOSTAT, Labour force participation rate by sex and age (accessed May 2018).

Over the medium term – between 2010 and 2017 – seven economies showed a decrease in their LFPRs and EPRs greater than 0.5 percentage point, and 11 economies showed increasing trends of greater than 0.5 percentage point (figure 1.5). Only in Fiji, Mongolia and Singapore did the trend reverse in more recent years, with both indicators declining slightly between 2015 and 2017. In Australia, in contrast, the medium-term trend of declining LFPR and EPR more recently reversed to a slight increase. Among the countries showing the decreases over time, only Cambodia, Thailand and Viet Nam had beginning points among the highest in the region, thus showing a convergence away from an extreme value. Yet, among the countries that were extreme in the other direction – with an LFPR among the region’s lowest, only Pakistan and Sri Lanka showed a slight increase. The issue of shrinking female LFPRs in Southern Asia is discussed in section 1.2.3.

**Figure 1.5: Change in labour force participation rates and employment-to-population ratios, available countries and economies in the Asia-Pacific region, 2010–17 or nearest years (percentage point)**



Source: Calculations based on ILOSTAT, Labour force participation rate by sex and age and Employment-to-population ratio by sex and age (accessed May 2018).

### 1.2.3 Areas of interest

#### Female labour force participation in Southern Asia is low and declining.

There has been a consistency of high employment and labour force shares in all subregions except Southern Asia, which remains an outlier. With only one quarter (26.5 per cent) of women in employment and only slightly more in the labour force (27.9 per cent), the subregion ranks above only the Arab States and Northern Africa when it comes to the outlook for women in work (table 1.2 and figure 1.3). The female LFPR in Southern Asia is 28.7 percentage points behind the rate in South-Eastern Asia and the Pacific and 32.3 points behind the Eastern Asia rate. What's even more disturbing is that the female LFPR in the subregion gets lower over time. The subregion's social norms and practices that keep women outside the labour force are among its most pressing development issues.

All the Southern Asian countries show a low female LFPR, with the exception of Nepal, which stands out with a high rate of 79.3 per cent in 2008 (the year of its latest Labour Force Survey).<sup>7</sup> Contrast this with the female LFPR of 26.2 per cent in India in 2011–12, down from 32.6 per cent in 2004–05, despite the country's strong economic growth (Annex table A2-3). While remaining low as well, the female LFPRs of Bangladesh, Pakistan and Sri Lanka have held steady or increased over time, due largely to opportunities for female work in the ready-made garment sector in urban areas. Beyond national differences, trends vary across rural and urban areas and among women with high educational attainment and poorly educated women.

Many potential causes have been identified for the limitations of women's access to the labour market in Southern Asian countries, and numerous studies have homed in on the most pertinent

<sup>7</sup> A new Labour Force Survey was completed in 2017, with results expected in late 2018.

determining factors (Chaudhary and Verick, 2014). Dasgupta and Verick (2016) focused on four main drivers of the decline – recalling that the declining trend in the region means primarily the declining trend in India: (i) increased enrolment of young women in secondary schools (though this does not explain the decline in participation rates of women aged 25 and older); (ii) rising household incomes (known as the “income effect” and reflecting the decline in employment in agriculture);<sup>8</sup> (iii) lack of suitable employment opportunities for women in the non-farm sector; and (iv) measurement issues.<sup>9</sup> A fifth driver can be added, which is the absence of child care options.

Such factors are frequently noted as those that are somehow quantifiable, unlike areas of social norms, which are difficult to put into words let alone measure. That said, what is clear is that attitudes matter and that social norms are an important factor – if not the most important factor – behind the low female LFPRs in Southern Asia. This is reflected in the results of an ILO-Gallup collaboration to gather information around the world on how men and women feel about work (table 1.3).<sup>10</sup>

**Table 1.3: Perceptions of female labour force participation, by sex, Southern Asian countries and regional aggregates, 2017**

(% in disagreement to the Gallop poll statement: It is perfectly acceptable for any woman in your family to have a paid job outside the home if she wants one.)

Country	Women	Men	Region	Women	Men
Afghanistan	41	51	Southern Asia	29	33
Bangladesh	35	57	South-Eastern Asia and the Pacific	17	26
India	26	25	Eastern Asia	10	17
Iran, Islamic Rep. of	21	38	Northern America	1	1
Nepal	15	18	Arab States	30	40
Pakistan	52	73	World	14	20

Source: ILO and Gallup Inc., 2017.

The acceptability of women working outside the home to women in the Southern Asian countries comes out well below other countries in the region and the world at large. In Afghanistan and Pakistan, 41 per cent and 52 per cent of women, respectively, stated they considered it unacceptable for women to have paid work outside the home even they so desired it (table 1.3). The shares were smaller in other countries in the region but still well below the shares found in most countries outside the region; for example, the rates of disagreement of men in Australia and Hong Kong (China) were only 1 per cent.<sup>11</sup> Differences are equally stark in the regional aggregates. Only in the Arab States were there larger shares of men and women who did not consider female work outside the home acceptable.

The shares of men disapproving of women’s work were larger than those of women in all the countries

8 Remittances have a role here. Research in Bangladesh found lower a LFPR in remittance-receiving households than in non-receiving households (Raihan, 2016, section 11).

9 Women’s work tends to be underreported, undervalued and unacknowledged because women are often home-based and contributing to caregiving (non-market activities, such as child care and household work, with no economic benefits). Forthcoming statistics on work related to own-production of goods and services will shed more light on women’s contribution. See also box 6 and the recent ILO publication on care work: ILO, 2018f.

10 See ILO and Gallup Inc., 2017 and accompanying regional tables and country dashboards.

11 Disapproval rates are higher in China: 19 per cent of men and 11 per cent of women disagreed with the acceptability of women working outside the home.

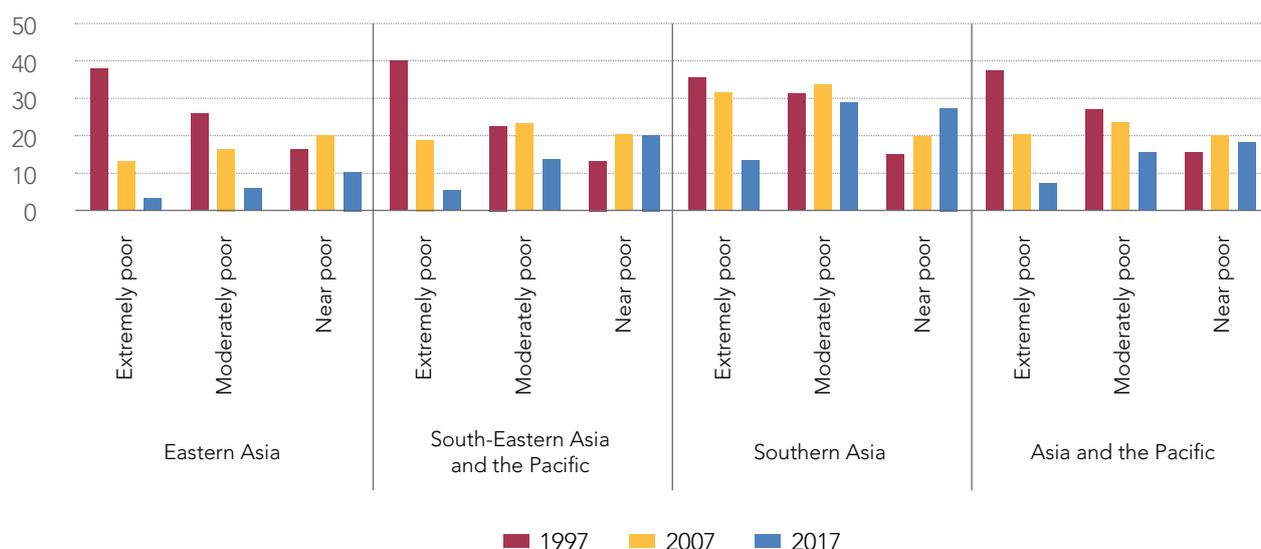
but India. But the more important point, perhaps, is that it is not just male attitudes that are behind the low female LFPR in these countries. Many surveyed women did not find it acceptable for women to work outside the home (29 per cent, on average, for the region). Pushing for more female labour force participation will remain an uphill battle in the region as long as women are not pushing for it. And as long as female LFPRs remain low, women will continue to miss out on opportunities to control assets and increase decision-making in the household, while the economies will continue to miss out on the productive potential of millions of would-be workers.

### Working poverty remains too present.

The Asia-Pacific region has made great strides in pulling a large share of the population out of extreme poverty over the past few decades. In 1997, the share of the working population in the region living on income below the \$1.90 a day poverty line was 37.6 per cent. The share declined to 20.5 per cent ten years later, in 2007, and again to a nominal 7.5 per cent in 2017 (figure 1.6). It proves more challenging, however, to push persons out of moderate or near poverty, measured at \$1.90 to \$3.10 per day and \$3.10 to \$5 per day, respectively. Summing the two categories together, 16.8 per cent of workers lived in moderate or near poverty in Eastern Asia in 2017. It is in the other Asian regions that the working poverty numbers really stand out: In South-Eastern Asia and the Pacific, while working poverty at the extreme level dropped to a modest 5.6 per cent in 2017, one third of workers (34.4 per cent) lived in moderate or near poverty. In Southern Asia, the share of working poor at the moderate or near-poverty level remained relatively high at 56.7 per cent.

Certainly, more workers in the region now earn enough to meet the basic needs of themselves and their families. Still, many remain vulnerable to sliding backward into extreme poverty. With 303 million workers in moderate poverty and 353 million in near poverty, the region has a long way to go to ensuring that “no one is left behind” in the quest for sustainable development (as framed in the 2030 Agenda, discussed in Chapter 2).

**Figure 1.6: Distribution of working poverty, by subregion, 1997, 2007 and 2017 (% in total employment)**



Note: Extreme poverty is measured as living on income below \$1.90 a day at PPP, while moderate poverty is income between \$1.90 and \$3.10 a day at PPP, and near poverty is income between \$3.10 and \$5 a day at PPP. For more information on the methodology used by the ILO to estimate employment by income class, see Kapsos and Bourmpoula, 2013. See also the explanation on regional groupings in figure 1.3.

Source: ILOSTAT, Employment distribution by economic class (by sex and age) -- ILO modelled estimates, May 2018 (accessed June 2018).

Ironically, it is the breadth of the working poor that has pushed the strong economic performance of the region. The plethora of a low-wage workforce attracted investment in the manufacturing sector in countries that catered to export-oriented growth. More recently, some of the newly industrialized countries in the region that saw wages increase after years of strong economic growth are now embracing national strategies that seek to move up the value chain, in part acknowledging the diminishing returns of their pathways of low-wage manufacturing growth (see Chapter 2).

### No rest for the old and weary

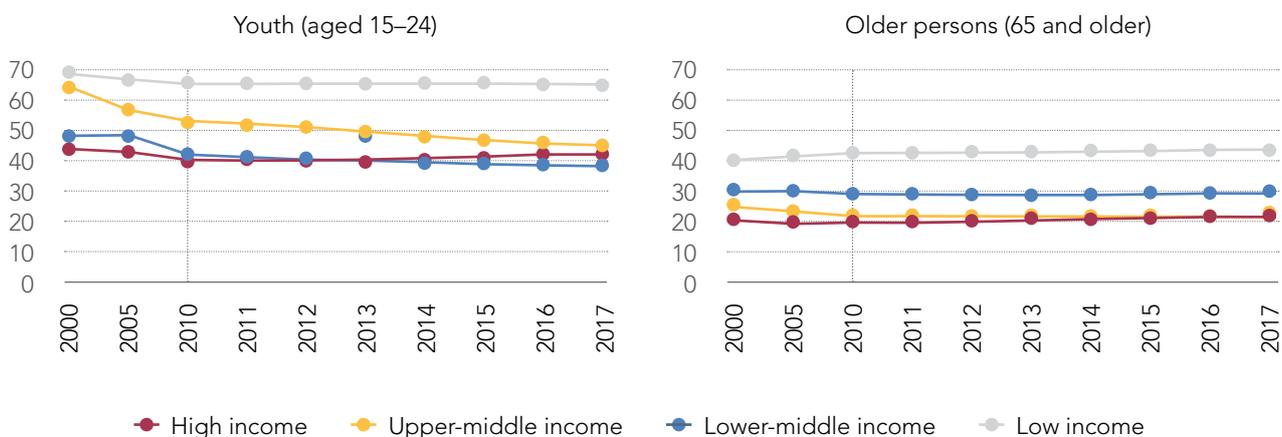
It is easy to argue that persons of prime working age, that is between the ages of 25 and 54 years, should be engaged in some form of work – inside or outside the home. The same positive valuation of employment is less certain when it comes to youth (aged 15–24) and the older population (aged 65 and older). As income levels in countries grow, the ability of the State to extend tuition-free education and social transfers, such as old-age pensions and health care, increases. Such trends should be reflected in declining EPRs of youth and older persons. Even without improved institutional capacity to invest in education and social protection, if household income increases, so, too, does the tendency to send children to school and allow them to enrol for longer. One aim of development, thus, is to promote a decrease in the share of young persons working too early in the life cycle (including those starting as child labourers) instead of staying in school as their primary activity and to allow the older population to stop working when they choose, ideally with an old-age pension to support them.

Figure 1.7 offers a demonstration of how income levels impact on the labour market outcomes.<sup>12</sup> The shares of youth and older persons who participate in the labour market are significantly larger in low-income countries of the region than in the high-income countries, as is the case in all other regions. Only in the low-income grouping is the majority of youth working (at a LFPR of 64.9 per cent in 2017). The share falls to 45.1 per cent for youth in upper-middle-income countries. Figure 1.7 also indicates that older persons (65 and older) in low-income countries are driven to stay in the labour market – presumably by poverty and the lack of social protection (box 3). The share of older persons engaged in the labour market in low-income Asian-Pacific countries was high at 44.3 per cent in 2017, compared with 29.2 per cent in lower-middle-income countries. This vulnerable grouping also stands out as the only one with an increase in the LFPR of older persons between 2000 and 2017.

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<sup>12</sup> Because data for the EPR of the age group 65 and older are not available, the LFPR of the age group is taken instead. In most countries in the region, at least 95 per cent of the labour force is employed, so labour force participation and employment trends are closely aligned.

**Figure 1.7: Labour force participation rate in the Asia-Pacific region, by income grouping, youth (aged 15–24) and older persons (aged 65 and older) (%)**



Note: See the explanation on regional groupings and methodology of global and regional estimates in figure 1.3.  
 Source: ILOSTAT, Labour force participation rate by sex and age -- ILO modelled estimates, July 2017 (accessed May 2018).

### Box 3 Status of social protection in Asia and the Pacific

A lack of social protection leaves many individuals vulnerable to poverty, inequality and social exclusion. The recent ILO *World Social Protection 2017–19* report (ILO, 2017d) revealed that 38.9 per cent of men and women in the Asia-Pacific region have access to at least one form of social protection, meaning the majority of workers remain unprotected. The range of persons with social protection coverage among the countries with data runs from a high of 72 per cent in Mongolia to 19 per cent in India, with most countries falling near the lower end of the scale. Challenges to universal coverage in the region relate to the high prevalence of informal employment among some countries (see section 1.4.3). Few workers in the informal economy have access to basic social protection through any contributory schemes, and the scope of the non-contributory programmes is still limited due to relatively low levels of public investment.

In Asia and the Pacific, persons aged 65 or older represent 7.8 per cent of the total population. Yet, social protection expenditures on pensions and other old-age benefits were 5.1 per cent of GDP on average. In South-Eastern Asia, where 6 per cent of the population is at pensionable age, average spending is currently at 1.4 per cent of GDP, which is the lowest among the different regions. This is in contrast to the global average expenditure of 6.9 per cent of GDP (with 8.4 per cent of the global population at pensionable age). The regional heterogeneity continues with regards to long-term care expenditures for those aged 65 and older. In 2013, India spent on average \$99.4 at PPP per person while Japan spent \$994.1 at PPP and the Republic of Korea as much as \$7,945 at PPP per person. The Republic of Korea's expenditures on long-term care is considerably more than other developed countries, such as France and the United States (Scheil-Adlung, 2015).

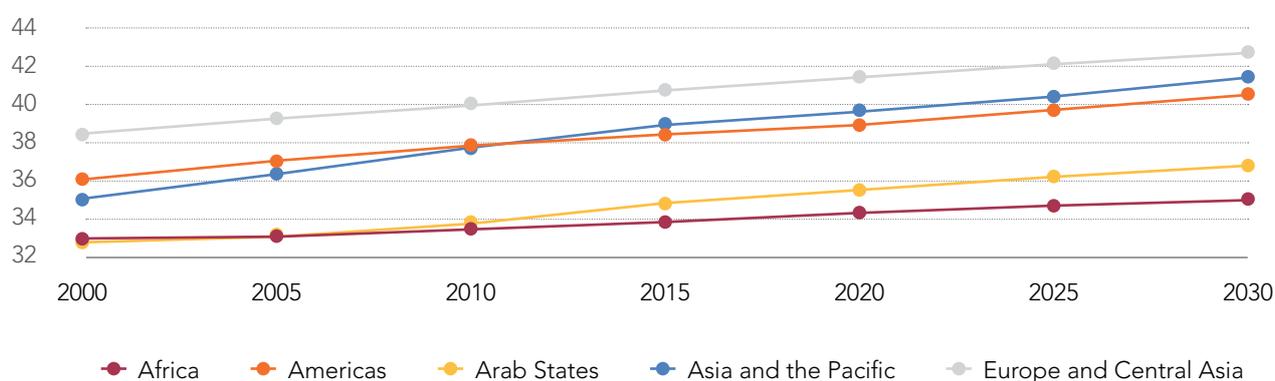
Thailand stands as a good example to other nations: Every citizen older than 60 is entitled to a monthly benefit, and all citizens can access free health care. This demonstrates that it is both possible and affordable for an emerging country to extend social protection to all citizens. China has also made significant progress in extending social protection to the majority of its population. It has achieved universal coverage of old-age pension, with 888 million persons covered at the end of 2016 and basic medical insurance coverage of 1.3 billion citizens, which represented approximately 95 per cent of the population. Timor-Leste has also made significant progress, now with a universal pension system and conditional cash transfer programme that covers 25 per cent of families with children.

Source: ILO, 2017d, unless otherwise specified.

## Ageing populations is a phenomenon that is here to stay.

Despite the growing pressures on labour markets that come with ageing populations, the increase in the LFPR of older persons in recent years has been generally small in countries in the middle- to high-income groupings. But by 2030, the composition of the labour force in the region will look significantly older than it did in 2015. The median age of the labour force for the region in 2017 was 39.3 years. This is expected to increase to 41.5 years by 2030. While this remains below the median age in Europe and Central Asia, the slope of increase is steeper for Asia and the Pacific, which means that a convergence towards the aged workforce in Europe is inevitable at some point post-2030 (figure 1.8).

**Figure 1.8: Median age of the labour force, by region, 2000–30**



Note: The median age marks the point where half the group is older than that age and half is younger. See also the explanation on regional groupings and methodology of global and regional estimates in figure 1.3.

Source: ILOSTAT, Median age of the labour force by sex -- ILO modelled estimates, July 2017 (accessed May 2018).

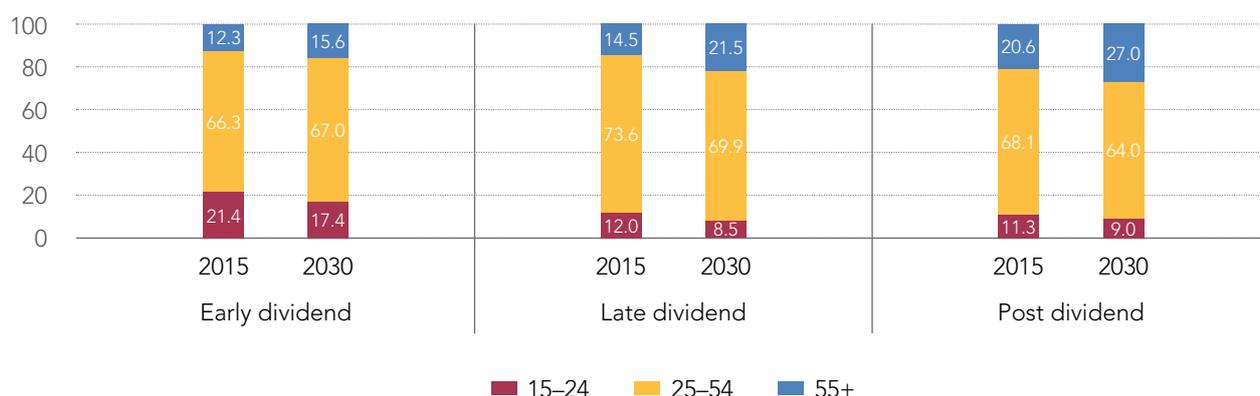
Countries in the Asia-Pacific region are at different stages in their demographic transitions. All Eastern Asian countries have reached the late or post-dividend stage of the transition, with low fertility rates and shrinking working-age populations.<sup>13</sup> It is in this region only that a handful of countries or territories are expected to also experience a decrease in the size of their labour force by 2030, namely: China, Hong Kong (China), Japan and Taiwan (China). The concerns linked to ageing labour forces centre around future stagnation or declining productivity gains, slower growth due to shrinking savings and increased pressure on public finances as demand for pensions and health care rises (ILO, 2017c). Thailand is the only country in South-Eastern Asia with a projected shrinking labour force. The subregion remains mixed in its demographic outlook, with the majority of countries still at the early dividend stage, while Malaysia, Thailand and Viet Nam have reached the late dividend stage. Countries in Southern Asia are still “young”, remaining in the early dividend stage, with the exception of Sri Lanka.

Figure 1.9 highlights the impact that the demographic transition has on the age composition of the available labour force. Across all three demographic stages, the share of the labour force

<sup>13</sup> The United Nations Population Fund defines the demographic dividend as “the economic growth potential that can result from shifts in a population’s age structure, mainly when the share of the working-age population [aged 15–64] is larger than the non-working-age share of the population (14 and younger, and 65 and older)”. A country with both increasing numbers of young people and declining fertility has the potential to reap a demographic dividend. The categorization of demographic transition by country that is applied here follows that defined by the World Bank. See the figure 1.9 note for more explanation.

that is older than 55 years is projected to increase through 2030, but the size of the increase and the share is certainly most pronounced among the post-dividend countries.<sup>14</sup> By 2030, more than one in four labour force participants (27 per cent) are expected to be older than 55 years in the post-dividend countries, and 9 per cent will be older than 65 years. Only 9 per cent will be young (aged 15–24). The countries with projected shares of persons aged 55 and older in the labour force greater than 25 per cent in 2030 are Japan (at 35.3 per cent), New Zealand (at 27.8 per cent), the Republic of Korea (at 36.4 per cent), Singapore (at 31.8 per cent), Sri Lanka (at 26.4 per cent) and Thailand (at 27.6 per cent) (see [Annex table A5](#)).

**Figure 1.9: Distribution of the labour force in the Asia-Pacific region, by age group and stage of demographic transition, 2015 and 2030 (%)**



Note: Results are averages of age distributions in the countries grouped by their demographic stage. The categorization of demographic transition follows the World Bank definition. Post-dividend (six countries) = total fertility rate in 1985 below 2.1 and shrinking working-age population share, 2015–30; late dividend (nine countries) = total fertility rate, 1985 above 2.1 and shrinking working-age population, 2015–30; early dividend (17 countries) = total fertility rate below 4 and increasing working-age population share, 2015–30; pre-dividend (two countries) = total fertility rate above 4 and increasing working-age population share, 2015–30. Country-level data are available in [Annex table A5](#). See also the explanation on regional groupings and methodology of global and regional estimates in [figure 1.3](#).

Source: Calculations based on ILOSTAT, Labour force participation rate by sex and age -- ILO modelled estimates, July 2017 (accessed May 2018).

The International Monetary Fund warned in late 2017 that ageing populations could slow the growth of key Asian economies.<sup>15</sup> The concerned countries – primarily those in Eastern Asia but also Thailand and other countries nearing the late-dividend stage – are well aware of the likely consequences of smaller workforces and ageing populations and are starting to prepare themselves accordingly. The array of policy responses include revisions to the retirement age, reforms in the pension system, skills programmes to encourage a growth of workers in the care economy, incentives to increase fertility, migration reforms for increased openness to migrant caregivers ([box 4](#)) and adoption of technologies to maintain strong productivity growth. Evidence on approaches adopted by countries in response to population ageing, as well as other important trends impacting the future of work, will be gathered in a forthcoming ILO research programme ([box 5](#)). As they stand now, few countries in the region are ready to provide old-age pensions at the level required to allow recipients to lead independent lives.<sup>16</sup> One consequence is the squeeze

14 Post-dividend countries or territories in the region are Australia, Hong Kong (China), Japan, Macau (China), Mongolia, New Zealand and Singapore (see [Annex table A5](#)).

15 *The Straits Times*, “Ageing population will slow Asia’s growth: IMF”, 8 Sep. 2017, <https://www.straitstimes.com/asia/ageing-population-will-slow-asias-growth-imf> (accessed 4 July 2018).

16 An in-depth ILO study on pension systems in the region will be ready for publication in late 2018 (ILO, forthcoming).

placed on adult breadwinners to offer financial support for both their children and their parents, making it that much harder to move up the income ladder into a secure middle class.

#### Box 4

### Labour migration as tool to address labour shortages

In August 2018, Japan announced acceptance of additional caregiver migrants from three South-Eastern Asian countries (Indonesia, the Philippines and Viet Nam) with whom it holds trade agreements.<sup>1</sup> In the same month, Thailand announced a possible bilateral agreement with Myanmar for acceptance of as many as 42,000 Burmese workers in Thailand's commercial fishing sector.<sup>2</sup> The Republic of Korea announced in December 2017 that it would accept 56,000 foreign workers in 2018 to help meet unmet demand for low-skilled workers in the manufacturing and farming sectors.<sup>3</sup>

These are but three recent headlines related to formal regional exchanges of workers to offset labour shortages. The formal management of labour migration is already growing in importance as Asia's "greying societies" cope with expected shortages of caregivers but also to offset deficiencies of workers in other, primarily low-skill, occupations in countries where investments in education have started to pay off to the point where national workers shy away from low-skilled work.

Recent ILO statistics measure increases in the number of registered migrant workers in Association of Southeast Asian Nation member countries, such as Malaysia, Singapore and Thailand, between 2012 and 2017.<sup>4</sup> Much of the migration was interregional, with persons moving from lower-income countries to offset labour shortages in the more industrialized, emerging economies, such as Myanmar migrants moving to Thailand and Lao migrants to Viet Nam. In Southern Asia, which sent at least 2.3 million workers overseas in 2016, the top destination continues were the Gulf Cooperation Council countries (ADB, OECD and ILO, 2018). In general, though, after years of sharp increases, reported outflows of workers from many Asian origin countries declined in 2016.

National immigration policies for the admission of foreign labour are diverse across the region; many countries take an "employer-driven" approach, whereby employers initiate the process through requests made to a government for entry of foreign workers where no suitably qualified local workers are available. Then that government determines the appropriate arrangement of short-term entry (short-term visa, etc.) (Abella, 2013). As migration flows continue to have an important role in the region's economic development, good governance of labour migration remains a top priority issue for nearly all Asia-Pacific countries. Preventing abuses of the system, protecting migrant workers and keeping them informed of their rights, establishing fair recruitment processes and emphasizing the importance of tripartite dialogue in labour migration governance are all aspects of the Resolution concerning fair and effective labour migration governance, adopted by the International Labour Conference, 106th Session, June 2017, and will also feature strongly in the Global Compact for Safe, Orderly and Regular Migration, expected for adoption by the UN General Assembly in late 2018.

<sup>1</sup> Kyodo: "Japan preparing to accept more caregivers from Indonesia, Philippines and Viet Nam", in *The Japan Times* (Tokyo), 20 Aug. 2018.

<sup>2</sup> P. Charoensuthipan: "Fishing for migrant labour with MoUs", in *Bangkok Post* (Bangkok), 18 Aug. 2018.

<sup>3</sup> Ock Hyun-ju: "Korea to accept 56,000 foreign workers in 2018", in *The Korea Herald* (Seoul), 22 Dec. 2017.

<sup>4</sup> Forthcoming factsheet on international labour migration statistics in ASEAN, ILO Triangle in ASEAN programme, [www.ilo.org/asean-triangle](http://www.ilo.org/asean-triangle) (accessed June 2018).

## **Box 5**

### **Preparing for the future of work – National policy responses in Asia and the Pacific**

The future of work is the thematic focus of ILO centenary activities. Following 18 months of intense discussions on key issues in a rapidly transforming world of work, the Global Commission on the Future of Work will release its findings in late January 2019. To frame the discussion to follow from the Global Commission's report, the ILO Regional Office for Asia and the Pacific is undertaking a research project that will map national policy responses to the megatrends of the future of work. The resulting evidence of national preparedness for the future of work will allow us to answer such questions as:

- How many countries have established government programmes on Industry 4.0?
- What are trade unions doing to incorporate workers in the platform economy?
- What are governments doing to offset ageing trends?
- Which countries are adapting their tax policies towards a redistribution of wealth?
- What countries are taking innovative approaches in social protection?
- What strategies are governments using to support technological adaptation in small enterprises to ensure they are not left behind?
- How do governments, employers and workers view the issues of automation and robotics?

The country-level evidence will be gathered in a regional report that will serve as a reference for regional or national dialogues on follow-up action in response to the Global Commission's report and towards the objective of promoting a future of work that embeds ILO principles of social justice.

For more information on the ILO Future of Work Initiative as well as the work of the Global Commission on the Future of Work, see [www.ilo.org/futureofwork](http://www.ilo.org/futureofwork).

## **1.3 Trends in unemployment**

### **1.3.1 Regional overview**

Nearly 81 million persons were unemployed in Asia and the Pacific in 2017, 28 million of which were youth aged 15–24. This was 6.8 million more in total unemployment than in 2010 and a drop of nearly 4 million in the number of unemployed youth, thus implying a higher composition of unemployed above the age of 25 in recent years.<sup>17</sup> Most of the gain in unemployment over the period was derived from Southern Asia. The regional unemployment rate at 4.1 per cent was considerably lower than the global rate of 5.5 per cent in 2017. But while the global unemployment rate has held steady since 2015, the rate in the Asia-Pacific region has increased slightly by 0.1 percentage point (table 1.4).

At the subregional level, the highest unemployment rate was 4.5 per cent in Eastern Asia in 2017, compared to 3.7 per cent in Southern Asia and 2.9 per cent in South-Eastern Asia and the Pacific. While a decrease in the unemployment rate was evident in South-Eastern Asia and the Pacific in the period 2015 to 2017 (from 3 per cent to 2.9 per cent), the rate remained unchanged, at 4.5 per cent, in Eastern Asia and increased (from 3.6 to 3.7 per cent) in Southern Asia.

At 10.4 per cent, the youth unemployment rate of persons aged 15–24 in the region in 2017 was

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<sup>17</sup> The youth share in total unemployment in the Asia-Pacific region, which was as high as 43 per cent in 2010, fell to 35 per cent in 2017.

also below the global average (at 12.6 per cent). By subregion, youth unemployment rates were 10.5 per cent in Eastern Asia, 9.5 per cent in South-Eastern Asia and the Pacific and 10.8 per cent in Southern Asia. Unlike the total unemployment rate, where the regional rate increased while the global rate held steady, for the youth unemployment rate, it is the Asia-Pacific regional average holding steady at 10.4 per cent since 2015 while the global rate increased by a 0.2 percentage point. Compared to 2010, however, the youth unemployment rate in 2017 had shown an increase of 0.7 percentage point.

The region is split in terms of trends in the youth unemployment rate; job prospects for youth improved from 2015 in South-Eastern Asia and the Pacific (from 9.9 per cent to 9.5 per cent in 2017) and Eastern Asia (10.6 to 10.5 per cent), but in Southern Asia, the youth unemployment rate increased from 10.5 to 10.8 per cent. The greater volatility of the youth unemployment rate compared to the total unemployment rate in all subregions reflects the higher sensitivity of the labour market of young labour market entrants to growth rates in comparison to adults.

In Eastern Asia and South-Eastern Asia and the Pacific, the unemployment rate of men in 2017 exceeded that of women, with relatively small gaps. In contrast, the gap between the sexes in Southern Asia was both larger, by 1.5 percentage points, and in the contrary direction; the female unemployment rate was 5.2 per cent while the male rate was 3.7 per cent. Higher female unemployment rates are typical in countries with small numbers of females participating in the labour market. In Southern Asia, as in the Arab States and to a lesser extent Northern Africa, acceptable work for women tends to fall within a limited range of occupations and sectors – the education or garments sectors, for example, which can result in job queues among the women seeking work there. ILO (2017a) found an overrepresentation of female workers in Southern Asia (compared with men) in three sectors only: agriculture, education and health and social work. Unlike Eastern Asia and South-Eastern Asia and the Pacific (and most other regions in the world), wholesale and retail trade does not figure among the dominant female sectors.

**Table 1.4: Unemployment and unemployment rate, by subregion and sex, youth (aged 15–24) and total (aged 15 and older)**

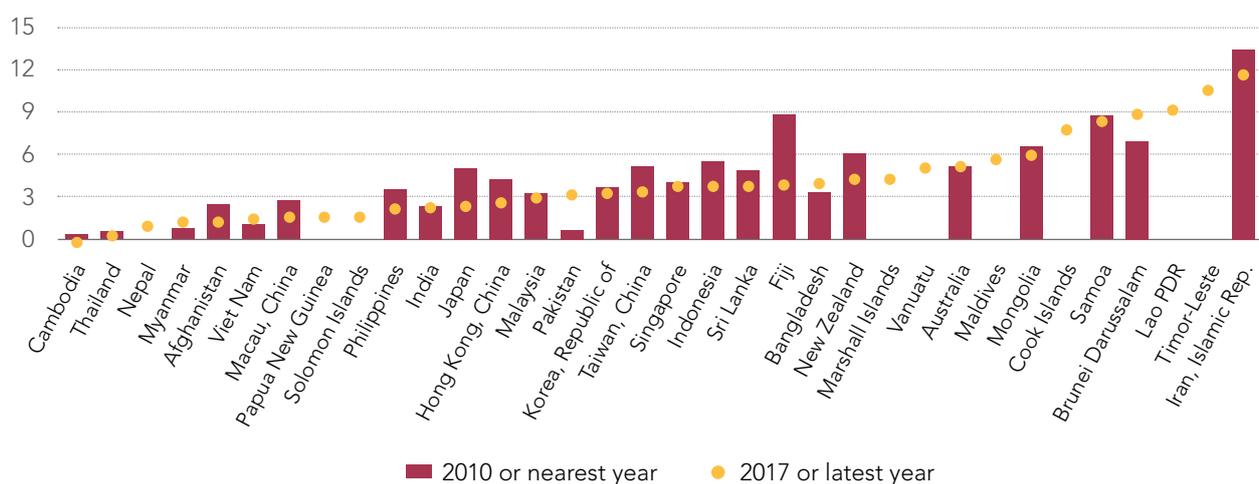
Indicator/region	Total										Male					Female					
	2000	2010	2015	2016	2017	2000	2010	2015	2016	2017	2000	2010	2015	2016	2017	2000	2010	2015	2016	2017	
<b>Unemployment (million)</b>																					
Asia and the Pacific	75.7	74.1	79.1	80.3	80.9	48.4	46.8	50.2	50.7	50.9	27.3	27.3	28.9	29.5	27.3	27.3	28.9	29.5	29.5	30.0	30.0
Eastern Asia	39.2	39.2	41.5	41.8	41.8	23.7	24.1	25.6	25.5	25.2	15.5	15.0	15.9	16.3	15.5	15.0	15.9	16.3	16.3	16.6	16.6
South-Eastern Asia and the Pacific	10.6	11.2	10.1	9.8	9.9	6.0	6.3	6.1	6.0	5.9	4.5	4.5	4.0	3.8	4.5	4.9	4.0	3.8	3.8	4.0	4.0
Southern Asia	25.9	23.7	27.4	28.7	29.3	18.7	16.4	18.5	19.3	19.8	7.2	7.3	9.0	9.4	7.2	7.3	9.0	9.4	9.4	9.5	9.5
World	171.8	183.3	184.5	189.7	190.0	99.2	105.3	105.8	108.3	108.0	72.6	78.0	78.7	81.4	72.6	78.0	78.7	81.4	81.4	82.0	82.0
<b>Unemployment rate (%)</b>																					
Asia and the Pacific	4.5	4.0	4.0	4.1	4.1	4.7	4.0	4.1	4.1	4.0	4.3	3.9	4.0	4.1	4.0	4.3	4.0	4.1	4.1	4.1	4.1
Eastern Asia	4.5	4.3	4.5	4.5	4.5	4.9	4.7	4.9	4.9	4.8	4.0	3.8	3.9	4.0	4.8	4.0	3.9	4.0	4.0	4.1	4.1
South-Eastern Asia and the Pacific	4.0	3.6	3.0	2.9	2.9	3.9	3.4	3.1	3.0	3.0	4.1	3.7	2.9	2.7	3.0	4.1	3.7	2.9	2.7	2.7	2.7
Southern Asia	4.7	3.4	3.6	3.6	3.7	4.7	3.4	3.6	3.6	3.7	5.1	4.5	5.2	5.2	3.7	5.1	5.2	5.2	5.2	5.2	5.2
World	6.2	5.7	5.5	5.5	5.5	5.9	5.4	5.2	5.2	5.1	6.6	6.2	5.9	6.0	5.1	6.6	5.9	6.0	6.0	6.0	6.0
<b>Youth unemployment rate (%)</b>																					
Asia and the Pacific	10.5	9.7	10.4	10.4	10.4	10.8	9.8	10.5	10.5	10.5	10.0	9.6	10.2	10.3	10.5	10.0	9.6	10.2	10.3	10.3	10.3
Eastern Asia	10.0	9.7	10.6	10.6	10.5	10.9	10.6	11.6	11.6	11.4	9.0	8.6	9.4	9.4	11.4	9.0	8.6	9.4	9.4	9.3	9.3
South-Eastern Asia and the Pacific	10.9	10.3	9.9	9.4	9.5	10.8	9.9	9.9	9.4	9.4	11.0	10.8	9.9	9.5	9.4	11.0	10.8	9.9	9.5	9.6	9.6
Southern Asia	10.9	9.4	10.5	10.7	10.8	10.7	9.1	10.0	10.2	10.4	11.5	10.6	11.7	12.1	10.4	11.5	10.6	11.7	12.1	12.1	12.2
World	12.9	12.3	12.4	12.6	12.6	12.6	11.8	12.0	12.2	12.1	13.3	13.0	13.0	13.4	12.1	13.3	13.0	13.0	13.4	13.4	13.4

Note: See the explanation on regional groupings and methodology of global and regional estimates in figure 1.3. Country level results are in Annex table A4.  
Source: ILOSTAT, Unemployment rate by sex and age -- ILO modelled estimates, May 2018 (accessed May 2018).

### 1.3.2 At the country level

The spread of unemployment rates is wide across the countries of Asia and the Pacific. At the higher end, with unemployment rates greater than 5 per cent, are an assortment of small island countries (Cook Islands, Maldives, Samoa, Vanuatu) plus Timor-Leste, where the dependence on public sector work remains strong, as well as Australia, Brunei Darussalam, the Islamic Republic of Iran, the Lao People’s Democratic Republic and Mongolia (figure 1.10). The comparatively high rate in the Lao People’s Democratic Republic is a signal of an economy with still-large shares of persons in subsistence level own-production work; when that number is removed from the measure of the labour force, in accordance with the new standard definition (box 6), the resulting unemployment rate – measuring persons seeking work and available for work as a share of the labour force – is high for the region at 9.6 per cent in 2017. In contrast, Myanmar, which also applies the revised international standard and also has a sizable group of persons in own-production activities, retains a low unemployment rate (at 1.6 per cent in 2017).<sup>18</sup>

**Figure 1.10: Unemployment rate, available countries and economies in the Asia-Pacific region, 2010 and 2017 or nearest years (%)**

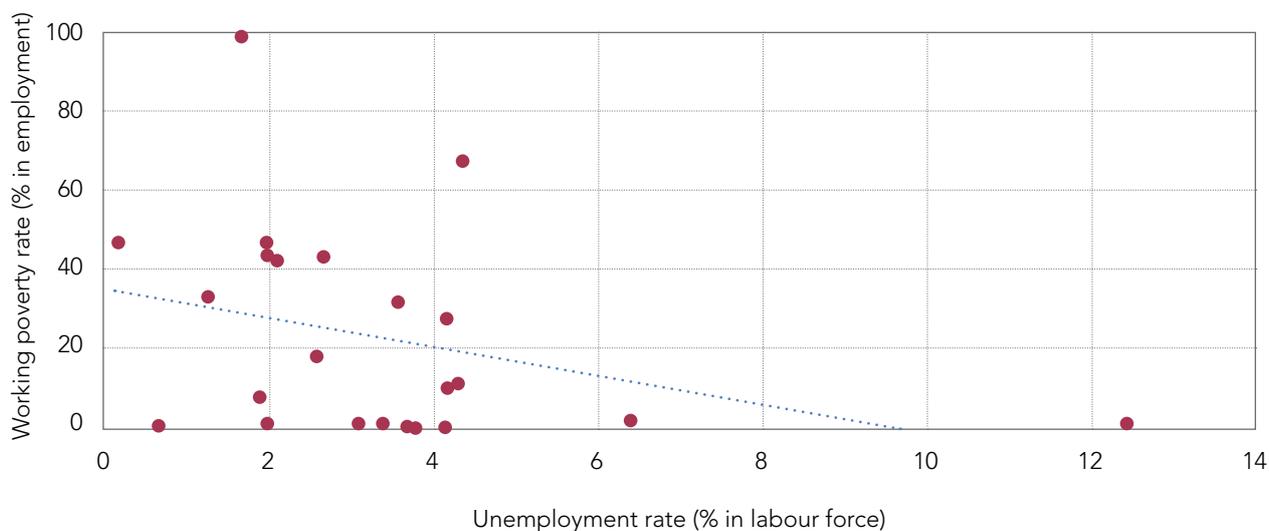


Note: Unemployment rates adhere to the international standard definition and refer to persons aged 15 years and over. Data also shown in Annex table A4-1. Only the later year is shown where breaks in series impact the comparability over time (such as the Lao People’s Democratic Republic and Timor-Leste). In other cases, only one year of data is available (India and Nepal). Source: ILOSTAT, Unemployment rate by sex and age (accessed May 2018).

At the lower end, in countries like Afghanistan, Cambodia, Nepal, Myanmar and Thailand, and others nearing the 2 per cent range, the unemployment rate can be considered negligible. In many of the low unemployment countries, high rates of poverty continue to be a determining factor in keeping people engaged in some sort of livelihood-seeking activity. Hence, there is still a strong link between higher working-poverty rates and low unemployment rates in the region, as highlighted in figure 1.11. There are, however, a few exceptions for the region: in Thailand and Viet Nam, both the unemployment rates and working-poverty rates, measured to the moderately poor level (below \$3.10 per day), remain extremely low.

<sup>18</sup> The countries in the region that the ILO has supported to revise the Labour Force Survey questionnaire to accommodate the revised measures of statistics on work in accordance with the 19th International Conference of Labour Statisticians include: Brunei Darussalam (since 2014), the Lao People’s Democratic Republic (since 2017), Maldives (since 2016), Myanmar (since 2015), Nepal (since 2017), Samoa (since 2017) and Timor-Leste (since 2013).

**Figure 1.11: Unemployment rate and working poverty rate (moderate) in available countries and economies in the Asia-Pacific region, latest years**



Note: Working poverty is measured here as the sum of extreme working poverty and moderate working poverty. Extreme working poverty is measured as persons working and living in households with an income level at less than \$1.90 per day in 2011 PPP. Moderate working poverty is measured at \$1.90 to \$3.10 per day. Due to the revised definition of unemployed in Brunei Darussalam, the Lao People’s Democratic Republic, Samoa and Timor-Leste, they are excluded from the scatterplot (see box 6).

Source: ILOSTAT, Unemployment rate by sex and age and Employment distribution by economic class (by sex and age) -- ILO modelled estimates, May 2018 (accessed May 2018).

Regarding time trends, more countries and economies reported decreases in their national unemployment rates than increases between 2010 and 2017 (or nearest years) (figure 1.10). Fiji and Japan stand out as the countries with the most significant decrease in the unemployment rates over that period, with a decline of 4.6 percentage points in Fiji and 2.3 points in Japan. But also, Indonesia, New Zealand and Taiwan (China) saw their rates decline by 1.4 percentage points each. In contrast, the countries that experienced sizable jumps in their unemployment rate were Bangladesh (+1 percentage point), Myanmar (+1.3 points) and Pakistan (+2.9 points).

## Box 6

### Understanding the new standards on statistics of work, employment and labour underutilization

In 2013, the 19th International Conference of Labour Statisticians (ICLS) adopted the ground-breaking Resolution concerning statistics of work, employment and labour underutilization (ILO, 2013a). The resolution offers a much welcome update of the standards defining “statistics of the economically active population, employment, unemployment and underemployment”, as adopted by the 13th ICLS more than 30 years prior, in 1982. It responds to critiques regarding the limitations of unemployment and employment statistics to allow for a more nuanced classification of how people use their time in contribution to productive activities, paid or non-paid.

The resolution includes the first international statistical definition of “work”, with distinctions made among “forms of work” and allowing for separate measurement of own-use production work, volunteer work and unpaid trainee work. An important advantage of the revised measures will be improved comparability of statistics between advanced and developing economies. Previously, the large-scale presence of persons in subsistence-level own-production work had distorted the labour statistics of the latter group. Another important value added will be the potential to have a realistic count of women (or men) providing services for the household (managing bills, cleaning, cooking, making repairs, caring for children or older members) as a sole activity or in combination with other paid or unpaid jobs.

The application of the 19th ICLS since its adoption in 2013 has been a slow process, with statisticians and technicians in national statistics offices continuing to test the design of questionnaires.<sup>1</sup> No country has yet applied the new measures in full, but in this region, seven countries have been supported by the ILO to make a start in releasing data on the new standards (in addition to the OECD countries in the region that were already measuring according to the new standard): Brunei Darussalam, the Lao People’s Democratic Republic, Maldives, Myanmar, Nepal, Samoa and Timor-Leste, each using revised questionnaires in their 2017 Labour Force Surveys.

The down side is that the previous statistical series of key labour market indicators is now interrupted. The data for 2017 in these countries represent a break in the series, and results should not be compared with those of previous years, which is why most countries are piloting before implementing. In the case of the Lao People’s Democratic Republic, the application of the new standard has led to significant changes in the results of key indicators, like the unemployment rate. Without going into too much detail, the principal change has to do with the large number of persons (more than 1 million in the Lao People’s Democratic Republic) who are engaged in own-use production of goods (such as growing vegetables or fetching firewood) and classified as outside the labour force in the 2017 Labour Force Survey according to the new standards. In 2010, according to the 13th ICLS (ICLS, 1982), they were counted among the employed. The number of persons outside the labour force is therefore significantly larger under the 19th ICLS, and the number in the labour force shrinks proportionately in a country with large rural populations still engaged in subsistence activities (see the following summary table).

The share of workers in wage employment also looked significantly larger (double) in 2017. This does not mean that there has been a significant jump in availability of paid work, but rather, it reflects only the much-smaller total employment number as the denominator of the indicator. Recall that, the drop in employment comes because of the narrower concept, including persons producing goods or services in exchange for pay or profit (now excluding producers of goods for own use).

### Box 6 (cont.)

**Box 6 table: Key labour market indicators, Lao People's Democratic Republic, 2010 and 2017**

Indicator	2010	2017
Working-age population ('000)	3 887	4 758
Labour force ('000)	3 044	1 940
Employment ('000)	3 018	1 758
Labour force participation rate (%)	78.2	40.9
Unemployment rate (%)	0.7	9.6
Youth unemployment rate, aged 15–24 (%)	1.8	18.4
Share of wage workers in total employment (%)	15.7	32.4

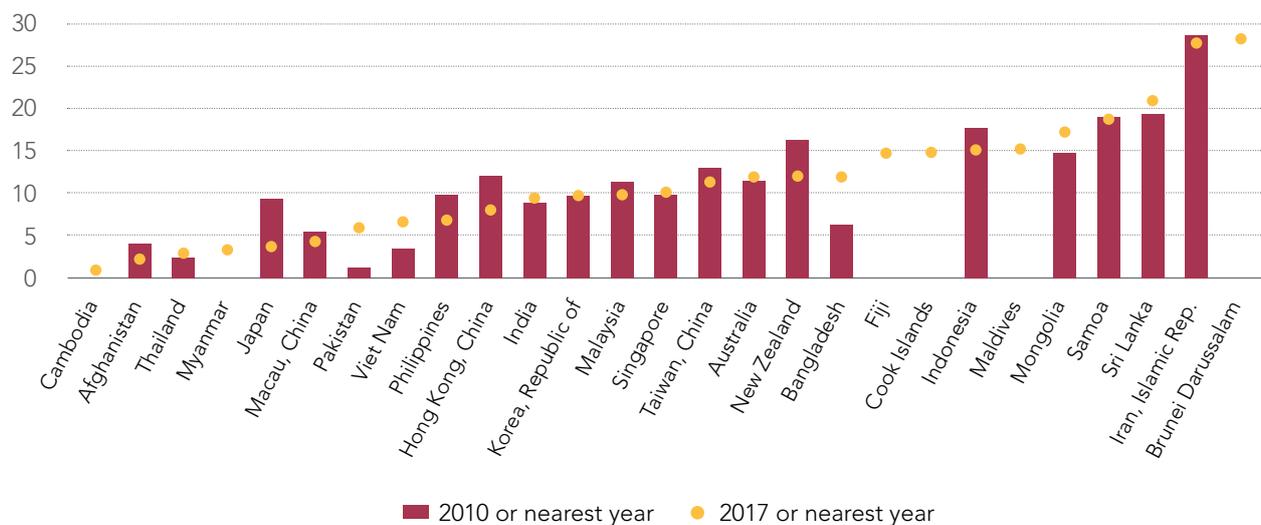
Note: Aged 15 and older, except youth (aged 15–24).

Source: Lao Statistics Bureau: Labour Force Surveys, 2010 and 2017.

<sup>1</sup> Following the adoption of the 19th ICLS, a Labour Force Survey pilot programme was launched in 2015 through collaboration between the ILO Department of Statistics and national statistics offices to conduct research in survey design. The Philippines and Viet Nam were among the ten countries engaged in the pilot programme. The numerous reports on the findings of the pilot studies are available at: [http://www.ilo.org/stat/Areasofwork/Standards/lfs/WCMS\\_627815/lang--en/index.htm](http://www.ilo.org/stat/Areasofwork/Standards/lfs/WCMS_627815/lang--en/index.htm).

Figure 1.12 reflects the youth unemployment rate for countries with data in 2010 and 2017 (or nearest years). Like the total unemployment rate, the variation in rates across countries in the region was large. In the latter year of data availability, the youth unemployment rate ranged from a low of 1.6 per cent in Cambodia to the high of 28.9 per cent in Brunei Darussalam. Regarding the direction of the youth unemployment rate over time, there is a split between the number of countries with multiple data points that experienced an increase in the rate between 2010 and 2017 and a decrease (ten in each direction and one with no change). The most significant improvements in youth rates over the period were felt in the high-income economies like Japan (-4.8 percentage points), Hong Kong, China (-3.5 points) and New Zealand (-3.7 points), which is a sign of their recovering from the impacts of the global recession. The Philippines witnessed a drop of 2.4 percentage points in its youth unemployment rate over that same period. On the other hand, the countries experiencing the most severe worsening of the youth unemployment situation were Bangladesh (+6.4 percentage points), Pakistan (+5.3 points) and Viet Nam (+3.7 points).

**Figure 1.12: Youth unemployment rate, available countries and economies in the Asia-Pacific region, 2010 and 2017 or nearest years (%)**



Note: Countries with data only for the earlier year are not included, but those with one data point only in the later year are shown. Youth unemployment rates adhere to the international standard definition and refers to youth aged 15–24. Data also shown in Annex table A4-3.

Source: ILOSTAT, Unemployment rate by sex and age (accessed May 2018).

### 1.3.3 Areas of interest

#### Shares of youth NEET reach more than 20 per cent for women only.

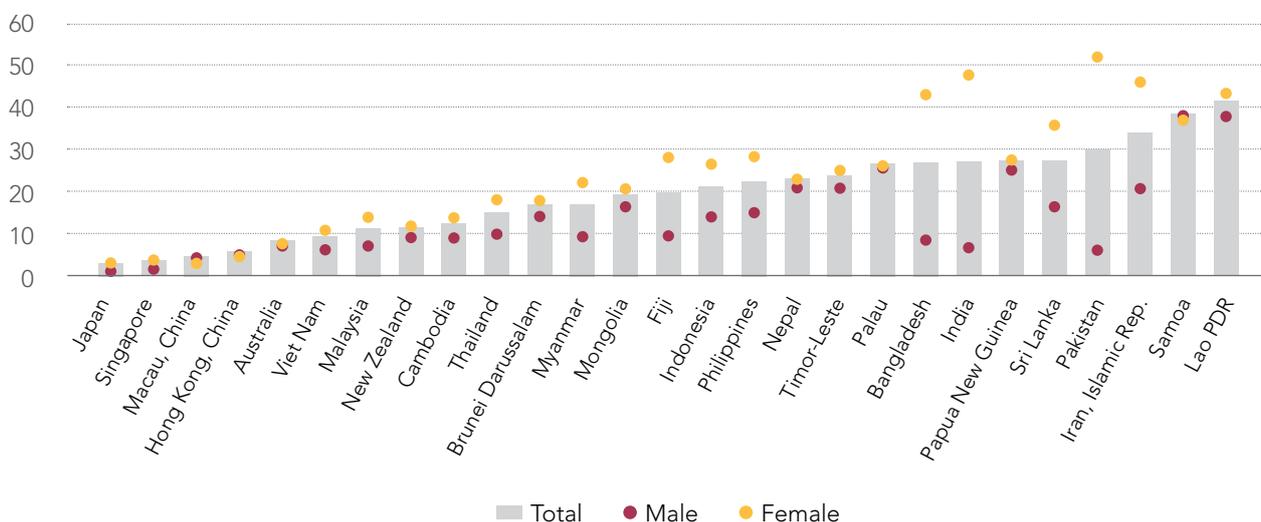
Youth not in employment, education or training is a broad measure intending to highlight the issue of exclusion from activities considered to be positive for the transition to adulthood. The indicator is included in SDG 8 to measure progress on target 8.6. Globally, the youth NEET rate is estimated at 21.8 per cent, of which 76.9 per cent are women (ILO, 2017b). The share of youth NEET in the youth population in Asia and the Pacific is similar to the global rate of 21 per cent, and country results range from a high of 42.1 per cent in the Lao People’s Democratic Republic to less than 4 per cent in Japan and Singapore.<sup>19</sup> Other countries with relatively high NEET rates are in the Southern Asia subregion, due primarily to the large number of young women excluded from education and the labour market. The subregion is marked by large gender gaps in the NEET rate (figure 1.13). In Bangladesh, India and Pakistan, the female NEET rate ranges from 35 to 46 percentage points above the rates for male youth.

When the youth NEET are predominantly young women who are excluded from both school and work, oftentimes as a result of household responsibilities or family cultural norms, the policy response should be geared towards promoting greater equality of access to, first, education and then to the labour market. Another portion of youth NEET will be those who have left school early due to a lack of interest, and another group might have tried to find work and given up in discouragement. Because the policy responses for decreasing the number of youth NEET (and meeting SDG target 8.6) would differ for discouraged youth, early drop-outs and females engaged in home duties, it is important to establish a national study of the reasons behind the youth NEET

<sup>19</sup> See box 6 for the explanation of the high rate in the Lao People’s Democratic Republic.

rate and then adopt policies accordingly.<sup>20</sup> Some of the NEETs fit among a category of “potential labour force”, which, when added to the number of unemployed, can give a much broader picture of labour underutilization in a country (see [box 7](#)).

**Figure 1.13: Youth NEET rates, by sex, available countries and economies in the Asia-Pacific region, latest years (% of youth population)**



Source: ILOSTAT, Share of youth not in employment, education or training (NEET) by sex (accessed May 2018).

### Medium-skilled workers are most susceptible to unemployment.

Although unemployment rates in the region remain comparatively low, there is still value in assessing the characteristics of the unemployed for a better understanding of who is most vulnerable and under what circumstances persons have difficulty finding work. [Table 1.5](#) shows the unemployment rate by level of completed education attainment for 28 countries and economies. For the majority of them, the unemployment rate is highest among persons with secondary education, which would seem to confirm an increasing “hollowing out” of middle-skilled jobs in emerging economies, in part due to technological progress, with information and communications technology (ICT) lessening the demand for workers engaged in routine tasks.<sup>21</sup>

<sup>20</sup> ILO, 2015a outlines some policy options to limit youth NEET.

<sup>21</sup> Numerous publications discuss the topic of technology-driven job polarization. For a brief introduction, see ILO, 2018b.

## Box 7

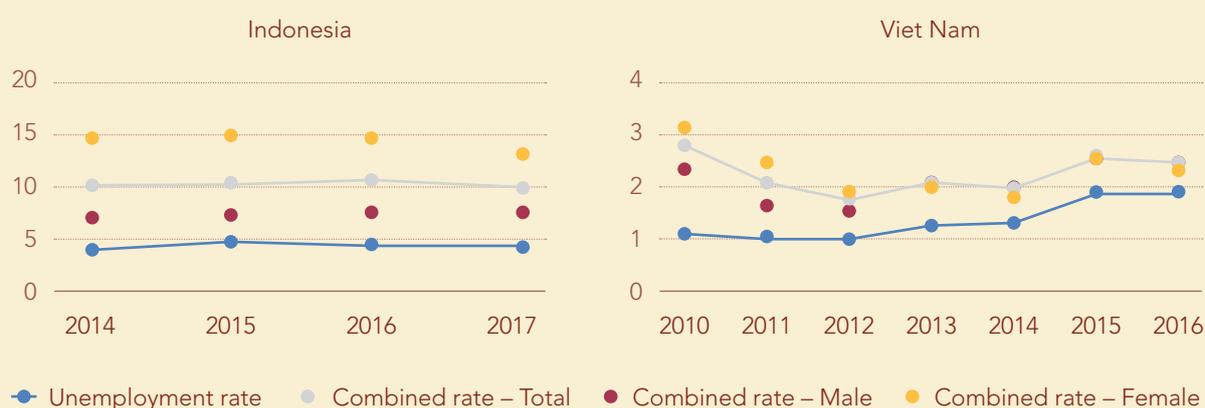
### The potential labour force and labour underutilization

Beyond the unemployed, there exists persons outside the labour market who would like to work and are available to work but do not actively seek it (available potential jobseekers) or who seek work but are not available to take up the new work (unavailable jobseekers). The two groups together make up the “potential labour force”, and if sizable as a portion of the population or current labour force, they can represent a significant problem of labour underutilization.<sup>1</sup> Labour underutilization can be interpreted as a degree of inefficiency in an economy, whereby a portion of potential productive resources are being somehow wasted. In all countries with available data on this variable, the majority of persons in the potential labour force were females who were available potential jobseekers.

The figure below shows the relationship between the unemployment rate and the broader rate of combined unemployment and potential labour force (adding the potential labour force to both the numerator and denominator of the rate). In both Indonesia and Viet Nam, the rate that accounts for the potential labour force<sup>2</sup> is more than double the unemployment rate. In Viet Nam, the combined rate was 2.5 per cent in 2016, well below the 10.6 per cent in Indonesia. And it showed little variation between men and women, unlike for Indonesia. With nearly 6 million women available and willing to work but not seeking work in Indonesia (7 per cent of the female working-age population), the high underutilization of women in the labour market, at 13.5 per cent, represents a considerable deterrent to inclusive growth.

The majority of Indonesian and Vietnamese women in the potential labour force cited family reasons (including the necessity of looking after children and the household) as to why they were not seeking work (90 per cent of female potential jobseekers in Indonesia and 53.6 per cent in Viet Nam), which means efforts to extend affordable child care options could help to draw them back into the labour force. In Viet Nam, the share of men and women who refrained from seeking work for reasons linked to their perceptions of the labour market conditions was also large. If labour market conditions start to look more favourable, they might be motivated to seek work.

**Box 7 figure: Combined rate of unemployment and potential labour force, by sex, Indonesia and Viet Nam (%)**



Note: The unemployment rate is the number of unemployed persons as a percentage of the labour force. The combined rate of unemployment and potential labour force (LU3) is the number of unemployed persons plus the potential labour force, as a percentage of the extended labour force (labour force plus potential labour force).

Source: Calculations based on national Labour Force Surveys in ILO repository of micro datasets.

<sup>1</sup> Labour underutilization “refers to mismatches between labour supply and demand, which translate into an unmet need for employment among the population”, according to the Resolution concerning statistics of work, employment and labour underutilization, adopted by the 19th International Conference of Labour Statisticians, Geneva, October 2013 (ILO, 2013a).

<sup>2</sup> There are four measures of labour underutilization proposed in the Resolution concerning statistics of work, employment and labour underutilization (ILO, 2013a). The measure used here is labelled LU3.

**Table 1.5: Unemployment rate, by level of education attainment, available countries and economies in the Asia-Pacific region, latest years (%)**

Country/economy	Latest year	Less than primary school	Primary school	Secondary school	Tertiary
Australia (aged 25–64)	2016	n.a.	7.5	4.5	3.2
Bangladesh	2017	1.8	3.5	8.5	10.7
Brunei Darussalam	2017	6.4	10.4	9.9	7.5
Cambodia	2012	1.1	1.4	1.4	2.1
China	2013	3.7	3.5	4.0	2.5
Fiji	2016	2.8	2.6	5.6	5.1
Hong Kong, China	2016	1.6	3.9	4.0	2.4
India	2012	0.8	2.4	6.3	8.4
Indonesia	2017	1.2	2.9	7.7	4.6
Iran, Islamic Republic of	2015	n.a.	9.5	21.6	7.4
Japan	2015	0	n.a.	4.0*	2.8
Korea, Republic of	2017	n.a.	2.8	3.8	4.0
Lao PDR	2017	9.5	11.0	6.5	6.9
Macau, China	2016	n.a.	2.2	1.7	1.5
Malaysia	2016	2.6	2.1	4.1	4.1
Maldives	2016	5.1	9.4	6.0	3.5
Mongolia	2017	5.5	3.2	7.1	7.0
Myanmar	2017	1.7	1.1	3.0	2.7
New Zealand (aged 25–64)	2016	n.a.	5.4	3.9	2.6
Pakistan	2015	0.6	2.2	6.1	16.8
Papua New Guinea	2010	0.9	1.6	4.9	2.4
Philippines	2016	2.7	4.5	9.0	7.5
Samoa	2012	n.a.	8.4	10.1	2.6
Singapore	2017	n.a.	3.1	4.3	4.1
Sri Lanka	2014	0.9	3.3	5.7	7.9
Thailand	2016	0.1	0.6	0.9	1.5
Timor-Leste	2013	3.8	12.9	15.6	3.7
Viet Nam	2017	1.0	1.3	2.8	4.0

Note: \* In Japan, the primary school data is included with the secondary school data. Unless otherwise noted, the age group is 15 and over. n.a. = not available.

Source: ILOSTAT, Unemployment rate by sex, age and education, except for Australia and New Zealand, which are from OECDSTAT, Educational attainment and labour force status (measured for the adult population aged 25–64) (accessed May 2018).

The countries or economies where the least-skilled workers are the most vulnerable to unemployment are high income – Australia, Brunei Darussalam, Macau (China), Maldives and New

Zealand; but this is also true for the lower middle-income Lao People's Democratic Republic.<sup>22</sup> Similar trends are found in most European and other industrialized countries and can be explained partly by: (i) the large shares of well-educated persons in these countries that then links to higher educational expectation on the part of employers; (ii) offshoring; and (iii) technological advancement.

Even the countries showing a high low-skill unemployment rate can face a shortage of low-skilled workers, depending on the occupation at hand. Shortages of low-skilled workers can pose a serious barrier to future growth and well-being in some countries of the region, especially when it comes to care work. Population ageing in the region means that demand for care workers, including nurses and personal care workers, will grow exponentially. One study found that by 2050, some 3.5 million Australians will require aged care (Productivity Commission, 2011). With the growing concern of shortages, some countries, like China and Japan, are looking to artificial intelligence and robotics to fill some of the gap.<sup>23</sup> In the meantime, the dependence of labour migration of low-skilled workers will continue to be important in the economic and political landscape of the region.

### In some countries, even highly educated persons are at risk of unemployment.

Finally, in eight countries, the unemployment rate was highest among tertiary graduates, including in high-growth emerging economies, like India, Thailand and Viet Nam, but also in Cambodia and Sri Lanka, where graduate employment is likely constrained by limited industrial diversification.<sup>24</sup> One aspect of higher-skilled unemployment is that persons who invested heavily in their own schooling have higher job reservations. They are more likely to wait for the "right" job than accept any job, relying on the household for financial support in the meantime (of course, it is youth from wealthier households who have greater chance to complete tertiary education).<sup>25</sup>

Another frequently cited "culprit" of graduate unemployment is that young students do not choose their field of study well. There is some truth to this; in most countries, jobs in the area of humanities are not growing while jobs related to science, technology and care occupations continue to grow. Yet, students continue to study such fields as arts and literature, finance or law – oftentimes pushed in that direction by parents or based on where the "good" jobs were in the past rather than in the unknown future. Young students should not be faulted for lacking perfect foresight on the jobs of the future and planning accordingly. Even when young people do read the signs, focusing on the supposedly much-demanded engineering field, for example, they may enter a glutted market or a market hiring only from the top schools. Recent studies find disturbingly high unemployment rates among engineering graduates in India and Pakistan,<sup>26</sup> leading to a general conclusion that even where growth occupations

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22 The application of the revised standard for measuring work (see box 6) now allows for comparability of unemployment statistics in the Lao People's Democratic Republic to those of high-income countries; for the first time, the mass of own-production workers in the country that was driving down unemployment are excluded from the measure. In the high-income countries, few persons are engaged in own-production work.

23 One journal noted that 131 companies in China are working to apply artificial intelligence in the health care sector, taking advantage of the supporting push of the Chinese Government; see Y. Sun: "AI could alleviate China's doctor shortage", *MIT Technology Review*, 21 Mar. 2018. In Japan, the Government has made significant investment in elder care robotics to help offset the shortfall of specialized workers; see M. Foster: "Aging Japan: Robots may have role in future of elder care", *Reuters*, 28 Mar. 2018.

24 Unfortunately, latest years of data availability in Cambodia and India are 2012 and 2011, so caution is advised here with the interpretation.

25 Job "waithood" is the subject of numerous media articles that tend to take a negative tone towards "millennials", when their reactions are quite rational; see such headlines as "Jobless Vietnamese millennials would rather stay home than do manual work", *VNExpress International*, 27 Dec. 2017; "New jobs taken by foreigners as graduate unemployment rises", *The Edge*, 29 Mar. 2018 in Malaysia; "South Korean youth struggle to find jobs after years of studying for tests", *Parallels*, 28 May 2017; "Worthless degrees and jobless graduates", *The Hindu Business Line*, 24 Apr. 2017 in India.

26 "60% of engineering graduates unemployed", *The Times of India*, 18 Mar. 2017; "Lack of jobs for engineers", *The Express Tribune*, 2 Feb. 2015 in Pakistan.

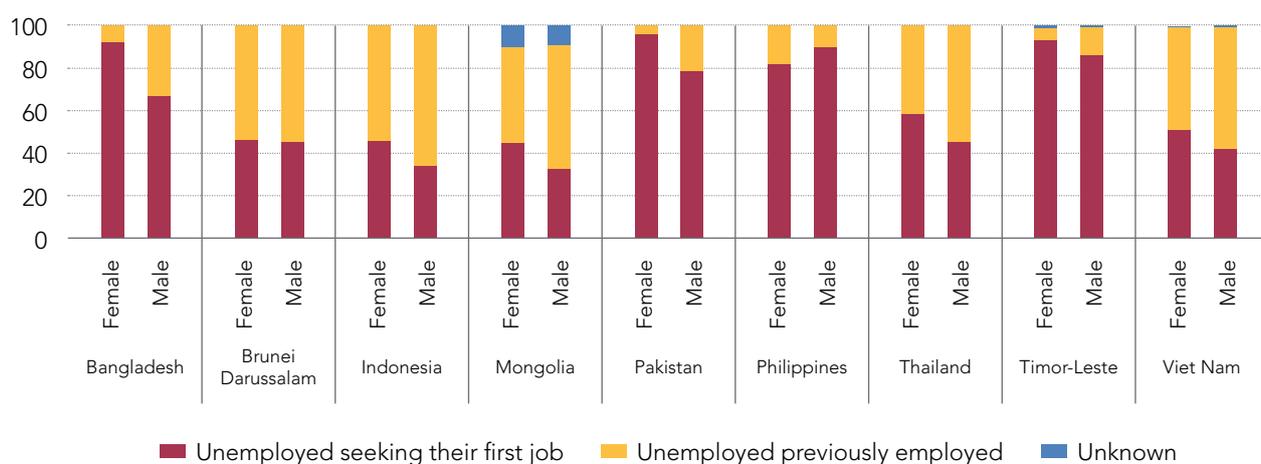
are correctly pinpointed and pursued by young students, other supply-side constraints are at play, such as perceptions on the quality of education and technical skills gained.<sup>27</sup> The point here is that there are both supply- and demand-side constraints to labour market entry for young graduates, and actions to ease the school-to-work transitions must take a multifaceted approach, continuing to aim at job growth through pro-employment economic policies while implementing broad skills strategies and progressive active labour market policies.<sup>28</sup>

### Job losers or first-time jobseekers?

A final examination of unemployment in the region looks at the degree to which unemployment is explained by job loss or difficulties in finding work. Where unemployment is primarily among first-time jobseekers, the remedies available include active labour market policies that support youth in their school-to-work transition and activation services for women seeking work when expected duties subside, such as child care. If unemployment is more cyclical in nature – showing a churn of job losers, governments may also want to strengthen the unemployment insurance system and retraining programmes.

The Labour Force Surveys in a handful of countries in the region contain information on whether an unemployed person is someone without work who is seeking a first job or was previously employed (job loser). Results are mixed for the nine countries with available data. The unemployed persons were primarily first-time jobseekers in Bangladesh, Pakistan, the Philippines and Timor-Leste. The share of job losers (previously employed) among the unemployed was larger in Brunei Darussalam, Indonesia, Mongolia and Viet Nam, while the shares were more or less balanced between the two categories in Thailand. In all countries shown in figure 1.14 except the Philippines, the number of unemployed persons who were first-time jobseekers was greater among women than men. Looking at the composition of job losers alone, more than two in three were men in Bangladesh, Indonesia, Mongolia, Pakistan and Timor-Leste.

**Figure 1.14: Unemployed, by previous activity (job losers or first-time jobseekers), male and female, available countries in the Asia-Pacific region, latest years (% in total unemployed)**



Note: Latest years range from 2013 in Timor-Leste to 2017 in Indonesia, the Philippines and Thailand.

Source: Calculations based on Labour Force Surveys or other household surveys in ILO repository of micro datasets.

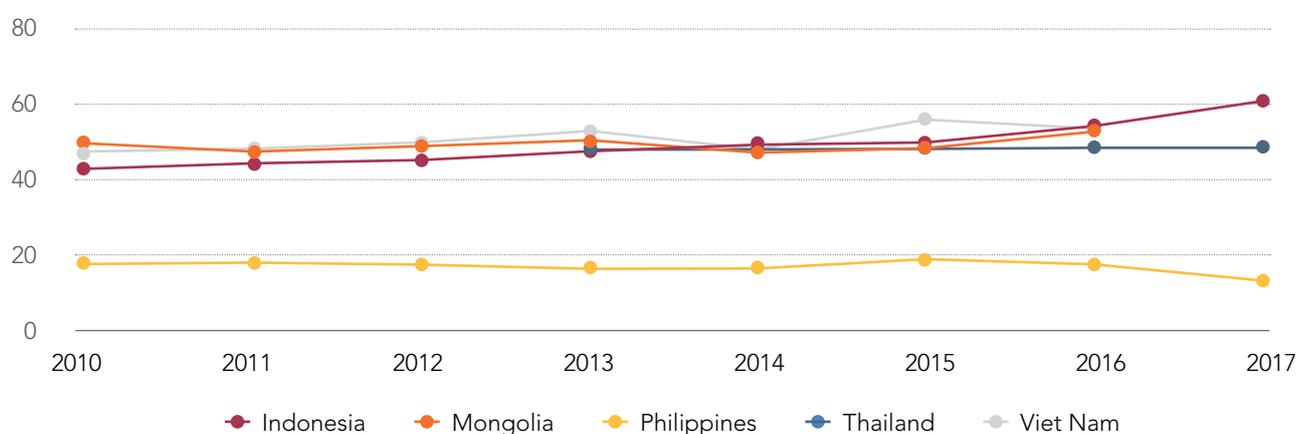
27 Hanapi and Nordin (2014) found that the quality of the education received or the suitability of the skills acquired to the needs of the job market were the true culprits of graduate unemployment in Malaysia.

28 ILO, 2017d, section 6 gives an extensive overview of “policies for a better future of youth employment”.

Figure 1.15 highlights the pattern of unemployed job losers over time for the five countries with sufficient time series data. The shares do not show much variation between 2010 and 2017, but it does seem that a tendency towards job turnover is growing, albeit at a slow pace in Indonesia, Mongolia, Thailand and Viet Nam. Table 1.6 provides information on where the job losses are happening in the various countries. While varying in degree by country, the sectors that consistently show the highest job turnover of workers, both male and female, are manufacturing, agriculture, construction, wholesale and retail trade, and accommodation and food services. This is not overly surprising because the same sectors are the largest employers in these countries, especially of unskilled surplus labourers.<sup>29</sup>

Four issues are worth pointing out here: (i) the large jump in the share of men in Mongolia losing work in the construction sector during the course of the economic slump that started in 2015; (ii) the precariousness of female employment in the education sector in Pakistan, a rare sector offering job opportunities for educated Pakistani women (the 6.6 per cent of total female employment in 2016 was well behind the 72.9 per cent share in agriculture and 12.7 per cent in manufacturing); (iii) job losses in the manufacturing sector impact female unemployment more than male unemployment in manufacturing-rich Thailand and Viet Nam, although this reflects, in part, the greater concentration of female employment in the sector in both countries; and (iv) although not shown here, the review of the unemployed by occupation among persons previously employed found a strong majority of job losses in medium-skill occupations, which adds further credibility to the decline in medium-skill jobs discussed earlier.

**Figure 1.15: Share of unemployed previously employed, Indonesia, Mongolia, Philippines, Thailand and Viet Nam, 2010–17 (% in total unemployed)**



Source: ILO calculations based on Labour Force Surveys or other household surveys in ILO repository of micro datasets.

<sup>29</sup> Surplus labour as used here implies a high degree of underemployment and, as defined by Ranis (2004), exists in the sense that a substantial portion of the labour force contributes less to output than it requires – its marginal product falls below the remuneration set by bargaining.

**Table 1.6: Most frequent sectors of previous employment for unemployed job losers, male and female, Mongolia, Pakistan, Thailand and Viet Nam, available years from 2012–16**

Country	Year	Female									
		Male					Female				
		Agriculture	Wholesale and retail trade	Mining and quarrying	Manufacturing	Construction	Construction	Agriculture	Accommodation and food	Education	Wholesale and retail trade
Mongolia	2012	19.0	8.3	9.0	9.8	19.7	4.1	16.2	15.0	10.4	16.1
	2013	18.5	5.1	7.6	13.8	17.8	5.5	15.0	12.9	10.2	19.8
	2014	21.7	5.3	9.4	9.2	17.3	6.5	20.2	15.1	8.1	14.4
	2015	17.2	7.3	7.0	9.7	18.9	7.9	12.7	12.6	9.9	15.4
	2016	12.0	10.1	13.0	5.7	24.3	6.7	10.4	12.5	10.1	14.5
	Pakistan		Transportation and storage	Agriculture	Construction	Wholesale and retail trade	Manufacturing	Other services	Human health and social work activities	Agriculture	Manufacturing
Pakistan	2013	8.7	11.1	14.1	15.7	28.8	11.4	2.2	16.4	50.6	16.7
	2014	6.9	8.1	16.8	19.5	25.7	6.3	11.9	3.0	22.0	52.4
	2015	6.1	14.2	16.8	18.0	28.5	24.6	3.0		14.5	56.8
Thailand		Accommodation and food	Agriculture	Construction	Wholesale and retail trade	Manufacturing	Public administration and defence	Agriculture	Accommodation and food	Wholesale and retail trade	Manufacturing
Thailand	2013	6.5	11.2	11.4	16.5	32.1	2.6	7.2	10.8	23.8	28.1
	2014	9.4	7.0	13.1	17.3	27.9	2.4	7.2	14.4	28.8	21.5
	2015	8.6	6.8	11.8	20.9	33.6	2.3	5.6	10.8	28.3	33.8
	2016	7.9	6.8	17.9	22.0	28.4	0.8	4.0	13.8	25.5	26.9
	2017	8.5	9.2	13.8	22.4	28.3	3.0	7.8	17.0	20.1	37.6
Viet Nam		Other services	Wholesale and retail trade	Agriculture	Construction	Manufacturing	Other services	Accommodation and food	Wholesale and retail trade	Agriculture	Manufacturing
Viet Nam	2012	22.2	12.8	13.4	16.1	25.7	13.0	10.1	12.4	16.1	32.4
	2013	19.7	12.5	12.9	19.7	25.1	15.4	8.5	12.6	17.2	29.7
	2014	23.1	13.5	9.6	17.7	27.3	18.0	8.1	12.8	13.8	32.4
	2015	21.4	12.3	13.7	16.7	25.3	15.0	8.6	14.9	19.2	30.1
	2016	21.0	10.2	16.4	19.1	25.1	14.6	11.3	14.9	17.1	30.1

Source: ILO calculations based on Labour Force Surveys or other household surveys in ILO repository of micro datasets.

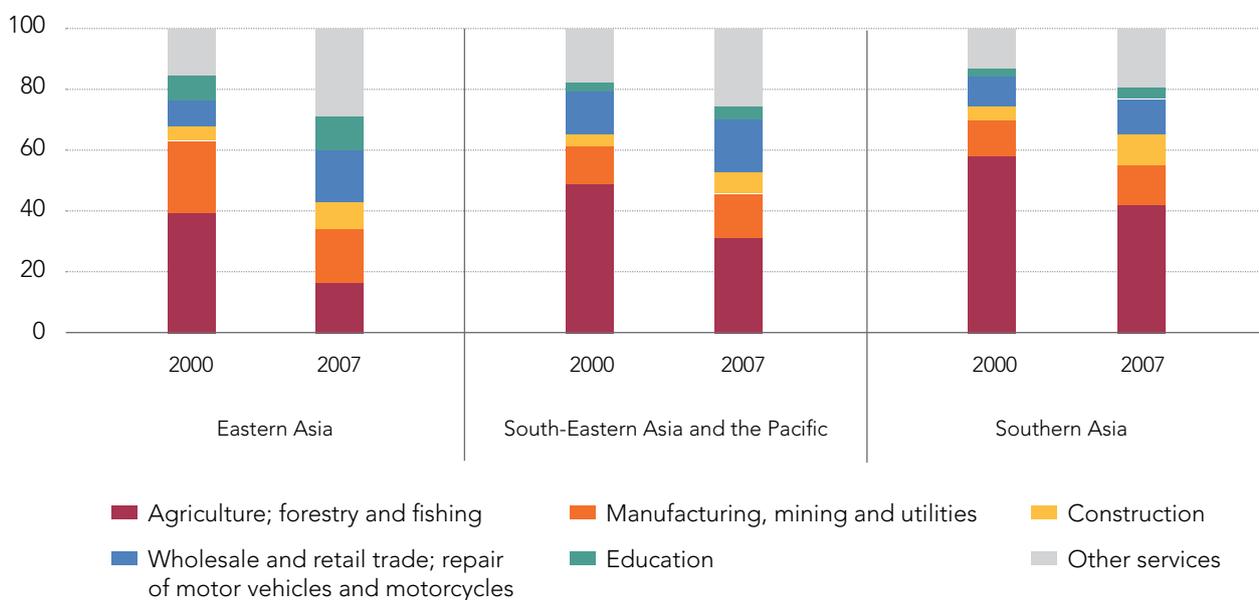
## 1.4 Characteristics of employment

### 1.4.1 Employment by sector

There has been a remarkable shift away from employment in agriculture over the past two decades in the Asia-Pacific region. Employment in agriculture shrank by as much as 205 million jobs between 2000 and 2017, while there was a small gain of 52 million jobs in the rest of the world (without Asia and the Pacific). By 2017, the share of persons working in the sector had decreased by 58, 36 and 28 percentage points in Eastern Asia, South-Eastern Asia and the Pacific and in Southern Asia, respectively (figure 1.16). In all subregions, most of the loss in agriculture work was taken up by the increase in employment in the services sector, although in South-Eastern Asia and the Pacific and in Southern Asia, employment in the industrial sector – manufacturing, mining, utilities and construction – also increased by a small amount over that same period. In total since 2000, 740 million jobs were gained in the services sector. The gain of 108 million jobs in industry, most of which were in the construction sector, was more modest by comparison.

At the country level, the share of employment in manufacturing has continued to increase in recent years in all countries (with available data) except those that are already at the high-income level. For the emerging countries of the Asia-Pacific region, the shift away from agriculture into industry and services has been reflected in the region's gains in labour productivity, poverty reduction and increasing middle classes. An Asian Development Bank report (ADB, 2018) noted, however, that a larger portion of aggregate productivity growth in Asia came from the increases in labour productivity within sectors than from movements of workers from low- to high-productivity sectors.

**Figure 1.16: Employment by sector, by subregion, 2000 and 2017 (% in total employment)**



Note: See the explanation on regional groupings and methodology of global and regional estimates in figure 1.3.

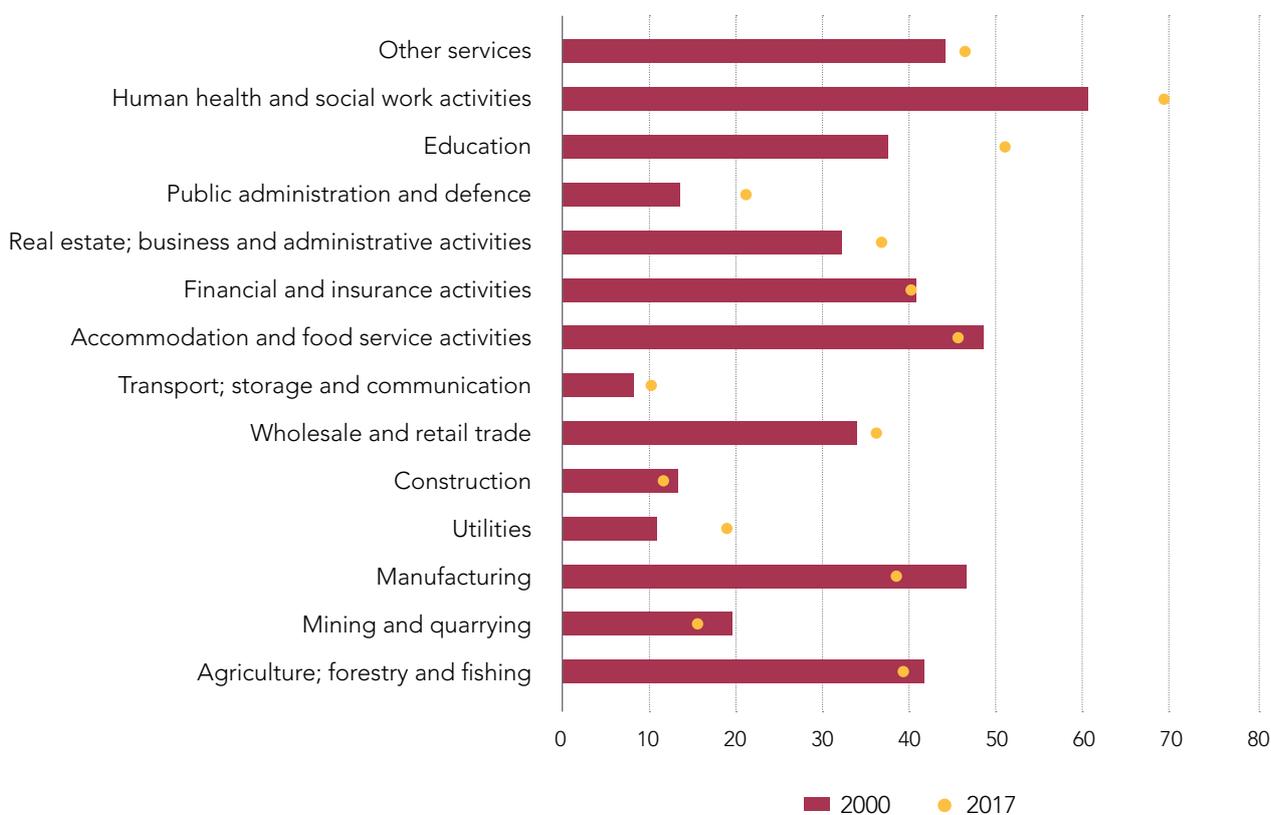
Source: ILOSTAT, Employment distribution by economic activity (by sex) -- ILO modelled estimates, May 2018 (accessed May 2018).

One important dynamic of the Asia-Pacific region relates to women's work and the degree to which women were drawn into paid employment in developing Asia as countries jumped into export-

oriented manufacturing from the late 1970s through the 1990s. During this period, gender-based wage inequality had an important role in stimulating the region's export-led growth, lowering unit labour costs to bring in foreign exchange for the purchase of capital and intermediate goods (Ghosh, 2012). As wages in the industrial sector started to rise in certain countries in the 1990s, in part due to international pressure to improve working conditions, the advantages of a low-cost female pool were eroded, leading some enterprises to migrate to lower-wage countries and others to shed some female labour. The decline in the female share of manufacturing employment in the region is evident in [figure 1.17](#). In 2000, women accounted for nearly half of the manufacturing workforce (at 46.3 per cent). By 2017, the female share had dropped to 39.1 per cent. Over the period, 19 million jobs held by women in manufacturing were lost, while male employment in the sector increased by nearly 21 million.

The gain that the feminization of manufacturing in the region brought in terms of increased opportunities for women to engage in paid employment in the formal sector – albeit at low wages and occasionally harsh working conditions – was short-lived. Unable to find employment in manufacturing, many unskilled female workers moved to the services sector, like wholesale and retail trade or health services. As the female share of employment in manufacturing declined, the female shares in various services in the region increased, with the largest jumps in the education sector and in human health and social work.

**Figure 1.17: Female share in employment by sector in the Asia-Pacific region, 2000 and 2017 (% in total employment)**

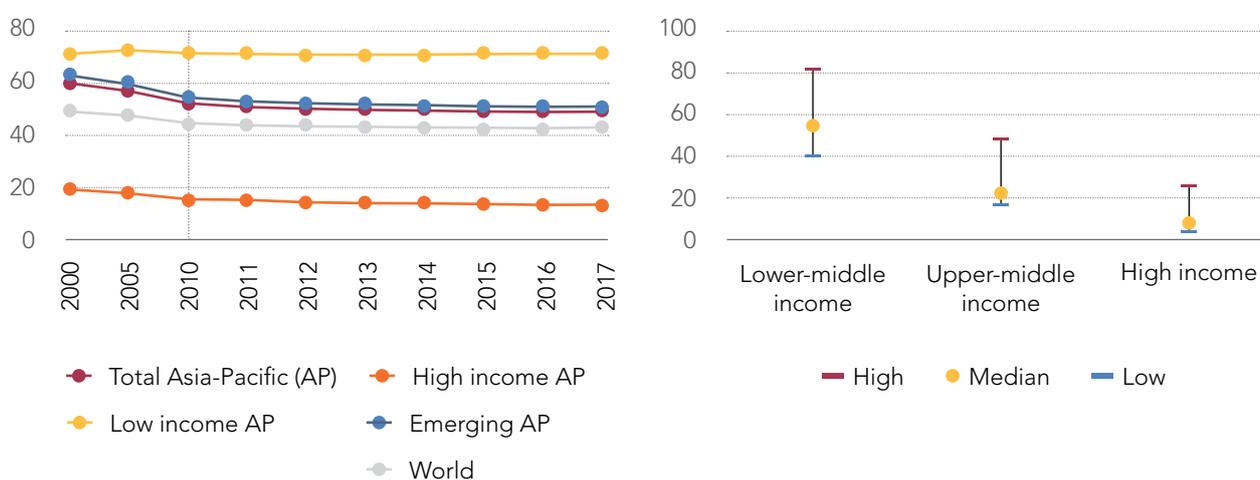


Note: See the explanation on regional groupings and methodology of global and regional estimates in [figure 1.3](#).  
Source: Calculations based on ILOSTAT, Employment distribution by economic activity (by sex) -- ILO modelled estimates, May 2018 (accessed June 2018).

## 1.4.2 Status in employment

Although the numbers continue to decrease, some 930 million workers – nearly one in two (48.6 per cent) workers – remained in a “vulnerable” status of employment as either own-account worker or contributing family worker<sup>30</sup> in the region in 2017. This is more than the global average of 42.6 per cent (figure 1.18, left panel). The status in employment and vulnerable employment are good indicators to demonstrate the continuing polarity of labour markets in a modern industrialized framework, especially compared with the developing, still largely agrarian context. Note, for example, the 71.1 per cent share of persons in vulnerable employment in low-income Asian-Pacific countries, compared with as little as 12.9 per cent in high-income Asian-Pacific countries). Middle-income (emerging) economies in the region fall somewhere in between, with a 50.6 per cent share of vulnerable employment in 2017.

**Figure 1.18: Vulnerable employment rate (% in total employment), by income groupings in the Asia-Pacific region, 2000–17 (left panel) and by income grouping at country level, 2017 or nearest year (right panel)**



Note: AP = Asia-Pacific region. Emerging economies are lower- and upper-middle-income countries. See the explanation on regional groupings and methodology of global and regional estimates in figure 1.3 and box 1.

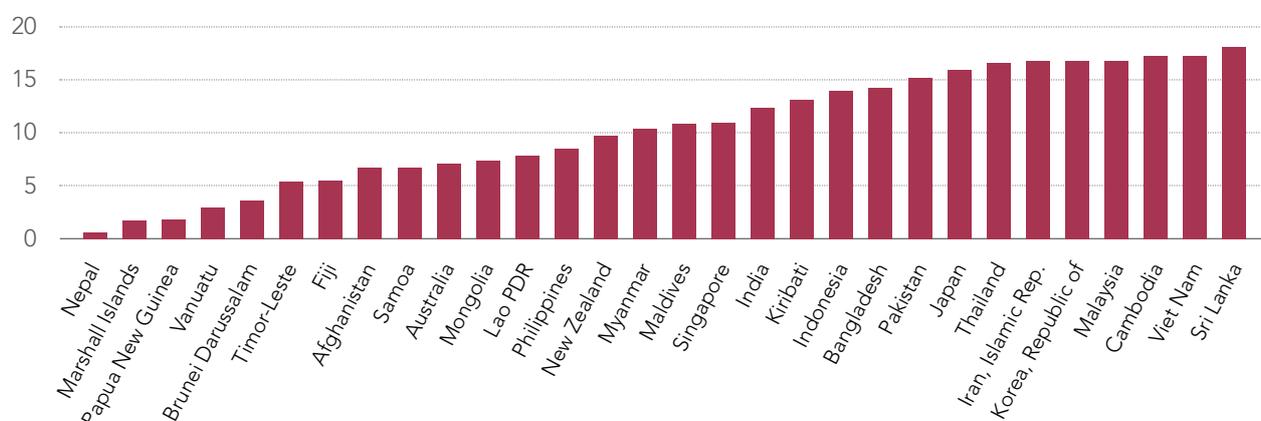
Source: Calculations based on Employment distribution by status in employment (by sex) -- ILO modelled estimates, May 2018 (left panel) and Employment distribution by status in employment (right panel) (accessed May 2018).

The median of the vulnerable employment rate among the high-income economies in 2017 was 8.4 per cent (from a low of 3.3 per cent in Macau, China to a high of 25.5 per cent in the Republic of Korea), while it was 22.8 per cent among the upper-middle income countries (with the low of 16.5 per cent in Fiji to a high of 48.2 per cent in Thailand). Between upper-middle income countries and lower-middle income countries, figure 1.18 (right panel) shows a large jump in the median of the vulnerable employment rate. In the latter grouping, the median was significantly higher at 54.5 per cent (from a low of 34.1 per cent in the Philippines to the high of 82.2 per cent in India).

<sup>30</sup> Vulnerable employment is the sum of workers in own-account work (self-employed without employees) and contributing family workers (helping out without pay in a family enterprise). The qualification of these two employment status categories as “vulnerable” dates back to the inclusion of target 1b in the Millennium Development Goals, when the ILO was tasked to suggest an indicator on the quality of employment. Own-account workers and contributing family workers are assumed to be less secure in their jobs and more vulnerable to poverty, although it is true that persons in paid employment and even employers (categories of non-vulnerable employment) can also lack economic security, as later subsections discuss.

Figure 1.18 supports the premise that economic development is inseparable from the transitions of national labour markets towards larger shares of non-vulnerable employment. In the high-income countries of the region, as many as 83.7 per cent of workers in 2017 were paid by someone else to provide a good or service (employees).<sup>31</sup> The share falls to 27.8 per cent in low-income Asian-Pacific countries. The continuing strength of the manufacturing sector in many countries of the region has been integral in the shift from vulnerable employment – offering an increasing number of workers the opportunity to move away from agricultural activities into paid work in the manufacturing sector in Cambodia, Myanmar and Viet Nam, for example. In nine countries in the region, employment in manufacturing had a share greater than 15 per cent of total employment (figure 1.19).

**Figure 1.19: Share of employment in manufacturing, available countries in the Asia-Pacific region, latest years (%)**



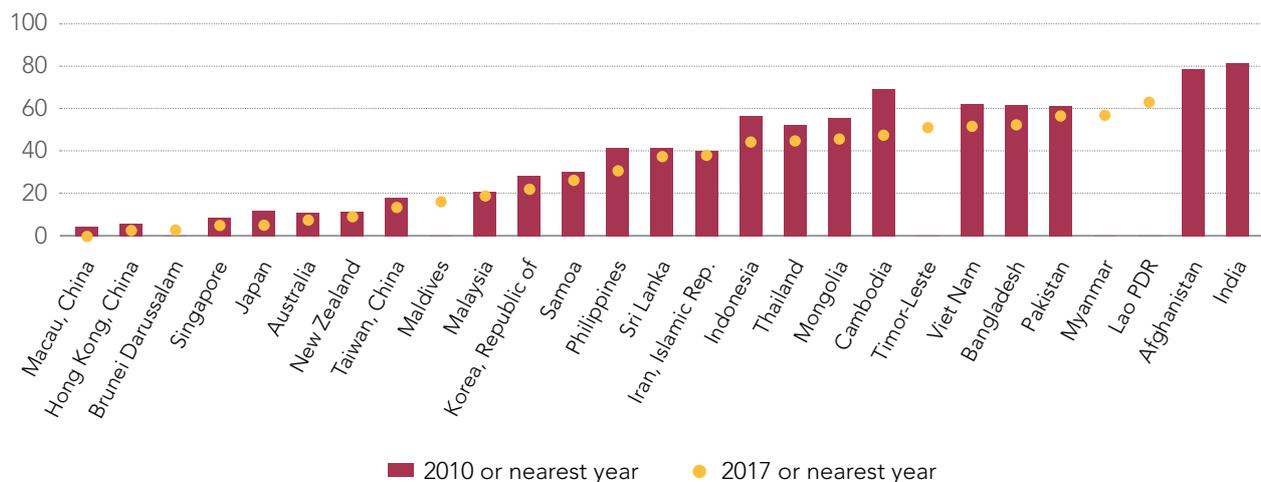
Source: ILOSTAT, Employment distribution by economic activity (accessed May 2018).

All countries in the region with data have shown decreasing shares of vulnerable employment over time (two exceptions are Malaysia and New Zealand, which had very small increases between 2010 and 2017). Yet the spectrum remains wide across economies – from 3.3 per cent in Macau, China to 66.5 per cent in the Lao People’s Democratic Republic in 2017 (and even higher in Afghanistan and India (in 2012 and 2010, respectively) (figure 1.20). At least 15 countries will need to reduce vulnerable employment by at least half to find parity with the advanced economies of the region.

In the early 2000s, female workers in the region were more likely in vulnerable employment than male workers. By 2010, the opposite was true, with women increasingly successful at finding work in the manufacturing sector as paid employees. In 2017, the share of male workers in vulnerable employment was 49.1 per cent while it was 47.7 per cent for female workers.

31 The status in employment by income grouping is not shown, but for country level data, see Annex table A6.

**Figure 1.20: Vulnerable employment rate, available countries and economies in the Asia-Pacific region, 2010 and 2017 or nearest years (% in total employment)**



Note: Only the later year is shown where breaks in series impact the comparability over time (the Lao People's Democratic Republic and Timor-Leste). In other cases, only one year of data was available (Afghanistan and India). Country-level data for employment by status are available in Annex table A6.

Source: ILOSTAT, Employment distribution by status in employment (by sex) (accessed May 2018).

### 1.4.3 Informal employment

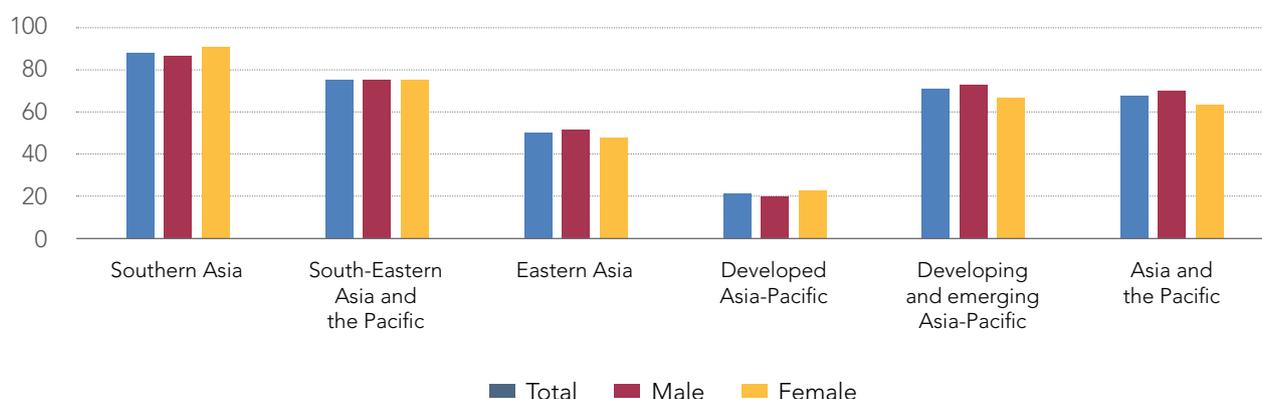
More than two in three (68.2 per cent) workers in the region were in informal employment in 2016 (figure 1.21). This was above the global average of 61.2 per cent (ILO, 2018c). Informal employment is closely linked to vulnerable employment because contributing family workers are by definition informal, and 86.2 per cent of own-account workers were classified as informal workers in 2016. For comparison, the informally employed share of paid employees was 49.8 per cent.

- The informal employment rate was significantly higher in Southern Asia, at 87.8 per cent, compared with Eastern Asia, at 50.7 per cent; while South-Eastern Asia and the Pacific fell in between, at 75.2 per cent. The rate was higher for men (at 70.5 per cent) than for women (at 64.1 per cent). Other findings from the recent ILO update on statistics on informal employment (ILO, 2018c) include:
- The rate of informal employment at the subregional level was inverse to the regional level in 2016, with higher rates for women than men in South-Eastern Asia and the Pacific and in Southern Asia.
- The level of education is a key factor affecting the level of informality. Workers in the region with completed tertiary education are much less likely to be in informal employment (at 31 per cent in 2016), compared with workers who have either no education or completed primary education (at 90 per cent in 2016).
- Workers in agriculture are the most at risk of informality, but in terms of numbers, workers in services represented the majority of workers in informal employment in 2016. In the region, informal employment shares by sector were: 94.7 per cent in agriculture, 68.8 per cent in industry and 54.1 per cent in services.<sup>32</sup>

<sup>32</sup> The high incidence in industry is likely due to the construction sector, but unfortunately this cannot be confirmed due a lack of data by detailed sector.

Workers in informal employment are more likely to work excessive hours because they are outside labour law protection. In the region, 51.8 per cent of informal workers put in more than 48 hours of work per week in 2016 (compared with 42.8 per cent of formal workers).

**Figure 1.21: Informal employment rate, by subregion and sex, 2016 (% in total employment)**

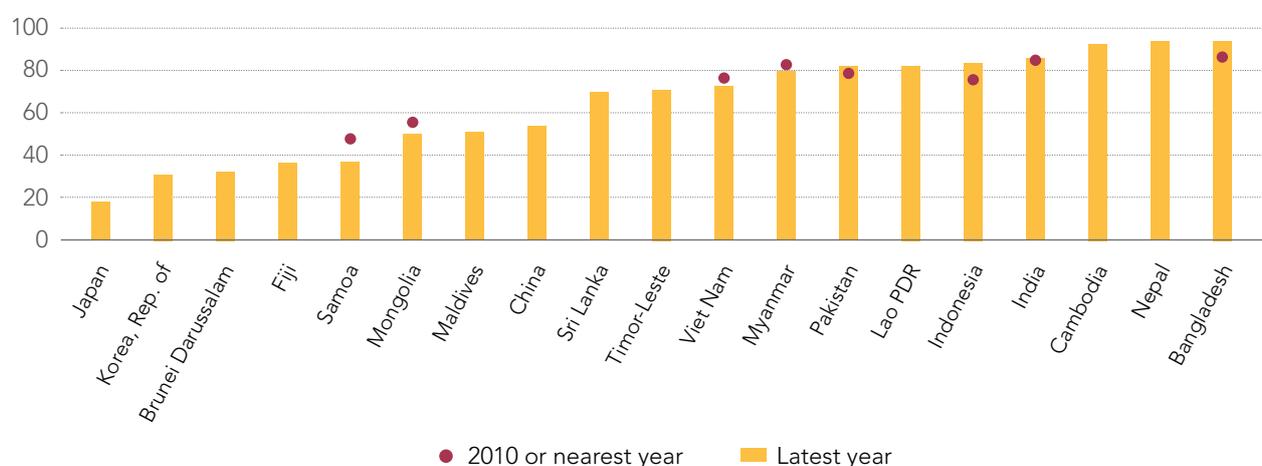


Note: Informal employment includes the agricultural sector.

Source: ILO, 2018c.

At the country level, the share of informal employment in the region in 2010 (or nearest year) ranged from more than 80 per cent in Bangladesh, Cambodia, India, Indonesia, the Lao People's Democratic Republic, Myanmar, Nepal and Pakistan to a low of 18.7 per cent in Japan (figure 1.22). There is an unfortunate dearth of time series data here, but among the countries with data available with multiple points in time, nearly all had improvements in the share of informal employment over time. The countries showing decreasing informality include India, Mongolia, Myanmar, Samoa and Viet Nam. In Bangladesh, Indonesia and Pakistan, however, the strong growth records and decreases in working poverty and vulnerable employment have not been accompanied by a decline in the share of workers in informal employment.

**Figure 1.22: Informal employment rate, available countries in the Asia-Pacific region, 2010 (or nearest year) and latest year (% in total employment)**



Note: Informal employment includes the agricultural sector.

Source: ILOSTAT, Informal employment and informal sector as a percent of employment by sex -- Harmonized series (%) (accessed May 2018) and ILO, 2018c.

#### 1.4.4 Other areas of interest

##### Wage employment is no guarantee of job stability or security.

There are different ways to conceptualize the vulnerability of workers. A good start is to look at the employment relationship using the indicator of status in employment, as was done in section 1.4.2. There, the assumption was made that own-account and contributing family workers are more “vulnerable” in the sense of lacking employment benefits, such as protection under employment legislation. But are paid employees truly non-vulnerable? Not always. There are also millions of workers across the region who receive a wage but lack employment benefits, have little or no job security and have weak bargaining power with their employer.

The ILO guidelines on decent work indicators (ILO, 2013b) recommend looking at stability and security at work, with indicators on the duration of job contracts and/or indicators of tenure on the job.<sup>33</sup> The latter, however, is rarely available. Thus, this section is restricted to the assessment of types of contracts, contract duration and reasons why people work for limited duration. A broader assortment of indicators that link to job stability are summarized in [table 1.7](#).

The various indicators linked to job stability are available in [table 1.8](#), with most of them generated from the micro datafiles of the national Labour Force Survey findings.<sup>34</sup> A review of the available data led to the general conclusion that paid employment in the developing and emerging economies of the region does not bring job or income security to the majority of workers. While a movement of workers out of insecure self-employment to non-stable paid employment would show in the statistics as a positive decline in the share of vulnerable employment, the reality would be a zero-sum gain when it comes to decent work.

A second general conclusion is that analysis of the employment content of economic growth should be wary of applauding declining vulnerable employment alone. Rather, the characteristics of paid work should be examined as well. Still, too few jobs in the region can be characterized as stable and secure, with a written contract, non-fixed duration, stable pay and fixed location. Such decent work deficits can limit domestic, consumption-led growth.

[Table 1.8](#) lists 11 lower-middle-income countries, nearly all of which have strong records of economic growth over the past few years (see section 1.1). All of them have seen an increase in the share of paid employment (and decrease in vulnerable employment) since 2010. Still, results from the combination of indicators hint that few people in these countries benefit from stable paid work.

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33 The “precarious employment rate”, as recommended in ILO, 2013b, is defined as the share of the employed whose contract of employment, whether verbal or written, is of relatively short duration or whose contract can be terminated at short notice.

34 The ILO Department of Statistics has encouraged national statistics offices in the region to engage in the good practice of open data, but to varying degree of success.

**Table 1.7: Indicators linked to job and income security**

Theme	Indicators	Implication
Status in employment	% of wage and salaried workers in total employment	Own-account workers and unpaid family workers are without access to employer-supported social benefits and are considered vulnerable to economic crises; vulnerable employment is frequently the arena for low-skilled workers and overlaps to a large degree with informal employment.
	% of own-account workers and contributing family workers (vulnerable employment) in total employment	
Occasional or daily workers	% of occasional or daily workers in paid employment	Occasional or daily workers receive a wage (non-vulnerable employment status) but typically have no written contract and no commitment on the part of employers.
Type of contract	% of paid employees with written contract	Holding a written contract tends to imply a formal job (although the duration can be fixed). Stability comes not from the content of the contract but from having terms to which both parties agree.
	% of paid employees without written contract	
Duration of contract or agreement	% of paid employees with unlimited duration contract or agreement	The highest level of stability comes from having a written contract with an employer of unlimited (permanent) duration. Workers on temporary contracts or agreements are sometimes denied access to core benefits and can feel stress with the contracts pending termination.
	% of paid employees with limited duration contract or agreement	
Institution of employment	% of total employment in public sector	Public sector employment covers employment in the government sector and publicly-owned enterprises and is usually formal in nature with written contracts, access to social benefits and of unlimited duration. Less secure work tends to be more associated with the private sector (although this is not a hard rule).
	% of total employment in private sector	
Place of work	% of paid employees working from fixed setting (office, enterprise, factory, stall)	Persons working from home or without fixed location can be another signal of vulnerability and precariousness. Similarly, work in agriculture, forestry and fishing are often low paid and casual in nature.
	% of paid employees working at home or without fixed location	
	% of employees working on land, forest or sea	
Frequency of payment	% of employees paid monthly	Workers paid monthly tend to have a formal contract (see type of contract) of reasonable duration, in contrast with persons paid daily, which correlates to occasional or daily workers who tend to have little job or income security.
	% of employees paid daily	
Multiple jobs	% working multiple jobs in total employment	Incidence of working multiple jobs can be a sign of persons engaged in irregular low-productive work, with an overlap to working poverty and an inability to earn sufficient income on the main job alone.

**Table 1.8: Indicators of job and income stability, available lower-middle-income countries in the Asia-Pacific region, latest years (%)**

Country	Status in employment	Characteristics of paid work					Institution		Place of work (paid employees)			Payment	Working multiple jobs	Year			
		Vulnerable employment	Share of occasional/daily workers	Share with written contract	Share without written contract	Share with permanent contract	Share with temporary contract	Public sector	Private sector	Fixed office, enterprise, stall or factory	At home or without fixed location				On land, forest, sea		
Bangladesh	Paid employee	39.1	55.8	22.5	30.9	69.1	26.5	73.5	3.2	96.8	51.7	12.5	18.7	57.3	34.7	9.9	2017
Cambodia		44.4	55.2	18.4	46.8	53.2	46.8	29.3	7.4	92.6	50.6	11.4	18.1	65.9	14.4	9.1	2012
India		47.9	50.7	30.1*													2011/12
Indonesia		48.8	47.7	25.6*	43.2	56.8	18.3	78.1	8.5	91.5				59.2	16.4	19.9	2017
Lao PDR		15.7	83.3		58.6	41.4			8.5	91.5	74.4	8.4	3.2	81.2	3.9	12.9	2017**
Mongolia		51.6	46.8		91.9	8.1			22.4	77.6	77.7	1.4	1.3	35.3	0.9	1.0	2016
Myanmar		40.4	57.2	38.4			45.4	50.3	6.3	93.7	28.8	5.7	33.1	38.1	60.4	1.9	2015
Pakistan		38.6	60.0	33.3*	30.5	69.5	29.6	70.4	12.2	87.8	58.3	9.1	13.8	55.8	19.6	3.9	2015
Philippines		62.2	34.1				78.0	18.6	8.4	91.6				37.0	45.4	6.5	2017
Timor-Leste		41.6	54.5	4.0	56.4	43.6	71.2	28.7	22.6	77.4	47.1	12.8	6.7			9.0	2013
Viet Nam		42.8	55.1	22.5	58.8	41.2	31.8	68.2	9.8	90.2	70.0	9.4	3.2	47.1	36.1	19.7	2016

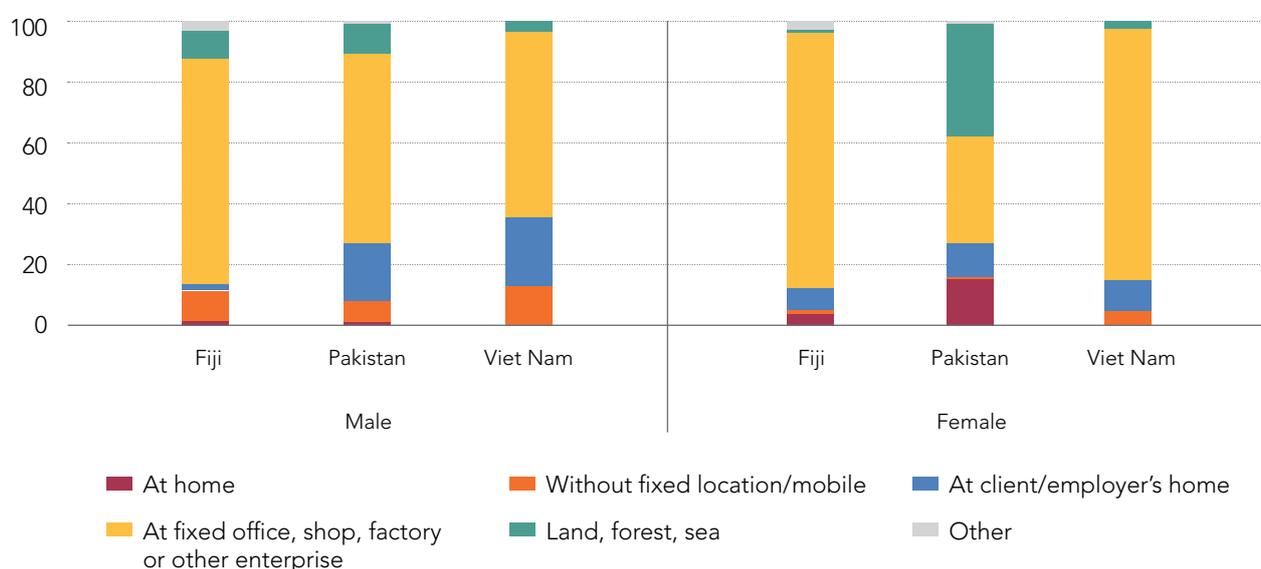
Note: Data gaps within the table indicate the required question is not available in the Labour Force Survey or was asked in a way that did not allow for comparability across countries. \* = Occasional or daily workers are pre-defined as a category of "casual workers" in the question on employment status; non-asterisked records were calculated from a series of questions. \*\*The 2017 Labour Force Survey was used in the Lao People's Democratic Republic, except for the status in employment shares, which come from the 2010 survey for comparability to other countries (see box 6).

Source: Calculations based on national Labour Force Surveys from the ILO repository of microdata files.

Based on various years, some 40–60 per cent of paid workers in these countries, excluding Mongolia, did not benefit from a written contract. The range of workers in temporary jobs was wider, from 18.6 per cent in the Philippines to more than 70 per cent in Bangladesh, Indonesia and Pakistan. Approximately one in four persons were occasional or daily workers (Timor-Leste was the exception). In Bangladesh, Cambodia and Timor-Leste, at least one in ten workers worked from home or without a fixed location. In Indonesia and Viet Nam, one in five workers engaged in multiple jobs.<sup>35</sup> By comparison, the share of multiple jobholders in the United States was 4.9 per cent in 2017.<sup>36</sup> Stress due to the lack of security of job or income is discussed further on. One indirect effect comes with the limited capacity of such workers to save or invest in housing, durable goods and services, thus limiting the potential of consumption-led growth. Another consequence is the increase in household debt among low-income workers.<sup>37</sup>

Gender differences are especially striking with the indicator on usual place of work. Figure 1.23 shows the results for male and female workers in Fiji, Pakistan and Viet Nam. Pakistan stands out with 15.3 per cent of women in paid work working out of their homes and 37 per cent working on the land (in agriculture) in 2017. It is also the only one of the three countries in which female workers are less likely than male workers to have a fixed location of work. In Fiji and Viet Nam, in contrast, only 5.1 per cent and 2.7 per cent of female workers, respectively, fit the two categories, while a strong majority of women in both countries had a fixed location of work. In all three countries, men were more likely than women to be without a fixed location of paid work, and in Fiji and Viet Nam, male workers were more likely than female workers with employment on the land, forest or sea. For a broader assessment of persons most vulnerable to precarious work in Fiji, see box 8.

**Figure 1.23: Usual location of workplace, male and female, Fiji, Pakistan and Viet Nam, 2017 (share of total employment, %)**



Source: Calculations based on national Labour Force Surveys from the ILO repository of microdata files.

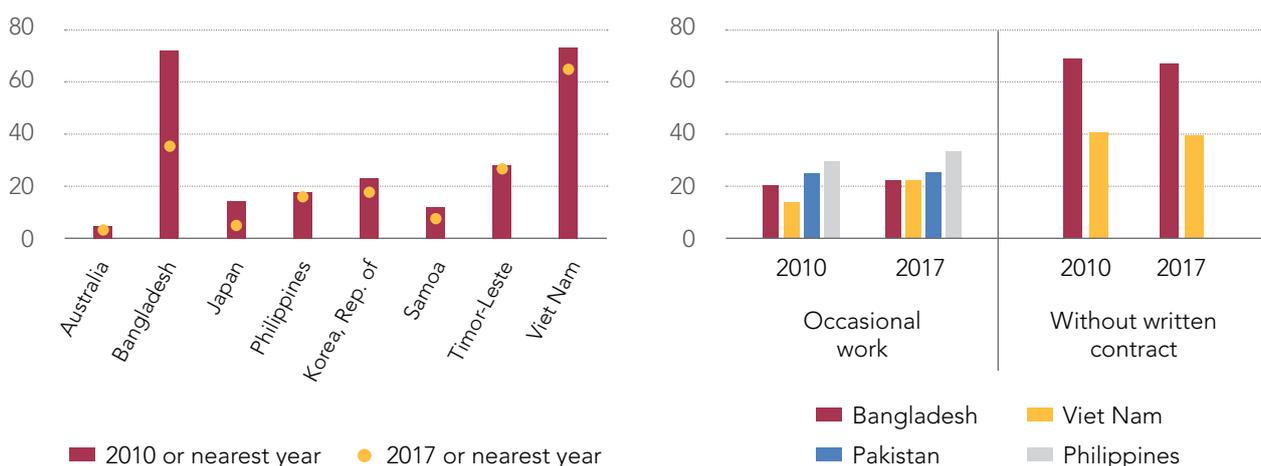
35 Further investigation is needed here to see the nature of the multiple jobs. Is there an increase in persons combining traditional jobs with gig jobs, for example?

36 Bureau of Labor Statistics, US Department of Labor, "The Economics Daily": "4.9 per cent of workers held more than one job at the same time in 2017", July 19, 2018, <https://www.bls.gov/opub/ted/2018/4-point-9-percent-of-workers-held-more-than-one-job-at-the-same-time-in-2017.htm> (accessed 1 Aug. 2018).

37 A recent survey in Thailand finds the household debt of low-income workers to have hit a ten-year high in 2017, with 96 per cent indebted. One third (36 per cent) of respondents took loans to cover general spending, and 85 per cent admitted to defaulting on payments, according to the Chamber Business Poll 2017, conducted by the Economic and Business Forecasting Centre of the University of the Thai Chamber of Commerce.

Is insecure paid work increasing over time in the region? The answer is not so clear, in part due to the scarcity of data and the fact that the data refer to main job only. But it is also in part due to the contradicting trends across indicators and heterogeneity across countries. Three indicators are shown in **figure 1.24** for the few countries with multiple records over time. For the incidence of temporary employment in developing countries, there were slight increases in Bangladesh and Timor-Leste, no change in the Philippines and decreases in Samoa and Viet Nam. Data from the Organisation for Economic Co-operation and Development (OECD) on the share of temporary workers in paid employment showed a decline between 2010 and 2017 in Japan (13.7 per cent to 7 per cent) and the Republic of Korea (22.9 per cent to 20.6 per cent) and a tiny increase (from 5.2 per cent to 5.3 per cent) in Australia. The incidence of occasional or daily work, however, increased over the period for all four countries with data – Bangladesh, Pakistan, the Philippines and Viet Nam. Finally, the share of workers without a written contract decreased in both Bangladesh and Viet Nam.

**Figure 1.24: Incidence of temporary work (left panel), occasional or daily work and workers without written contract (right panel), available countries in the Asia-Pacific region, 2010 and 2017 or nearest years (% in paid employment)**



Source: Calculations based on national Labour Force Surveys from the ILO repository of microdata files, except temporary employment (left panel) Australia, Japan and the Republic of Korea, which are from OECDSTAT (accessed May 2018).

## Box 8

### Characteristics of workers by degree of job security in Fiji

To assess the characteristics of persons in categories of job security, this box reflects on an assessment of the education level, the sector and occupation of employment and the earnings of workers defined in four categories: (i) paid workers on permanent contract; (ii) paid workers in temporary work with written contract; (iii) paid workers in temporary work without written contract; and (iv) persons working at the subsistence level (engaged in production of goods and services for own use in the household).<sup>1</sup> The country chosen for review is Fiji (2016 data), with results shown in Annex table A7.

In all defined categories, the results revealed a larger male than female share. The presence of female workers was stronger among the categories of workers with written contracts (permanent and temporary) and also among persons in own-production work. The category most dominantly male was temporary workers without written contract. Regarding the geography of such work, the more stable jobs marked by written contracts were more prevalent in urban areas of Fiji, while own-production work was mainly in rural areas. The data confirm that the “better jobs” – those with written contract and formal in nature – are those that attract persons with higher levels of education. Persons with tertiary education, however, are also having to take up work of a temporary nature because jobs with permanent contracts are likely in short supply. Among workers with temporary contracts in Fiji in 2016, more than half (55.6 per cent) were educated at the tertiary level, a large number were working in the education sector (grouping of non-market services) and more than half (52.9 per cent) worked part time (less than 30 hours per week). Among those with permanent contracts, a large share was in the wholesale and retail trade sector (23.8 per cent, not shown), which could explain the large proportion of medium-skill occupations (64.2 per cent) among the group. The more precarious workers without a written contract were in low-skill or medium-skill occupations, with a strong share in agriculture and construction.

A final point of interest relates to the average wages of workers in Fiji by contract situation.<sup>2</sup> The average monthly wage of a worker with a written contract of unlimited duration was 1,111 Fiji dollars (FJD) per month, compared with FJD1,401 for persons working under a temporary written contract. In contrast, workers without written contract were disadvantaged, both in terms of the lack of job or income security brought by the situation but also by the low pay. The average monthly income of persons working without a written contract was nearly half of those with a contract, at approximately FJD566 per month. Other evidence regarding the wage or income impact of precarious paid work is more anecdotal but point equally to the costs that come with the inability to attain stable work. Consequences can include delayed independence of young persons from parental support, delayed marriage and family formation, increased occupational injury, increased household debt and even issues of mental health.<sup>3</sup>

<sup>1</sup> Note that persons engaged in subsistence-level own-production work are no longer classified as employed, in the most recent classification of statistics of work (19th ICLS; ILO, 2013a). Fiji has not yet adopted the new standard, so here we can still assess the group as a subgroup of employees.

<sup>2</sup> Labour Force Surveys offer limited information on earnings, but the quality of data can be questionable. Establishment surveys typically offer more reliable data.

<sup>3</sup> Media references and academic studies on the topic are many (c.f. Quinlan, 2015).

## More on non-standard forms of employment

The ILO has defined non-standard forms of employment as: (i) part-time work; (ii) temporary work; (iii) temporary agency work and subcontracting; and (iv) dependent self-employment or disguised employment relationships (ILO, 2016). The previous section discussed the mixed results in temporary employment trends. While there were some tentative signs of increases in some of the developing countries, the incidence of temporary work seems to be on the decline in some developed economies of the region. Here, it is important to bear in mind the limitations of the statistics, which apply to main job only. Oftentimes, multiple job holders claim only the secondary job as temporary. To complement the statistics on temporary work, it is therefore important to assess also the trends over time of persons holding multiple jobs.

What about other areas of non-standard work? Statistics on dependent self-employment and subcontracting (gig work) are still rare and occasionally contradictory, given the lack of agreed statistical definition. Where available, data point to an increasing trend in gig work (box 9). Data on part-time work are more readily accessible. Figure 1.25 shows the results as subregional averages. Outside the high-income countries in the region, the incidence of part-time work – the share of persons working fewer than 30 hours per week<sup>38</sup> – is not especially high; nor is the share of persons working part-time increasing for the majority of developing economies with two available data points. Slight increases are noted only for Myanmar, Pakistan and the Philippines (see Annex table A8).

The estimated average part-time employment rate for 2017 (or nearest year) was 14.1 per cent in South-Eastern Asia and the Pacific, 13.2 per cent in Southern Asia and 6.2 per cent in Eastern Asia, while it was 20.8 per cent in the high-income countries (Australia, Japan, New Zealand and the Republic of Korea). When voluntarily chosen, part-time work can draw more women into the labour market as a means to balance work and family care, which explains the significantly higher incidence among female workers. In 11 of the 26 countries with available data, more than one in four women worked on a part-time basis in 2017 (or nearest year). Only in Fiji, the Philippines and Samoa was the male share more than 20 per cent (but less than 25 per cent). Again, the fact that the statistics reflect hours of work on the main job only makes a difference because many persons are likely to string together a series of part-time jobs over the course of the week to offset low wages. Unfortunately, it remains a challenge to develop the full picture of precarious work situations.

As a trend in non-standard forms of work, it appears that part-time employment is on the increase but that the increases are mainly oriented among the high-income countries in the region and a handful of countries in South-Eastern Asia and the Pacific. In most countries of the region, long work hours continue to take a greater toll as an issue of job quality than short-time work (see the following section).

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38 Thirty-five hours per week is also sometimes used as a cut-off to define part-time work. See ILO, 2013a.

## Box 9 Trends in gig work

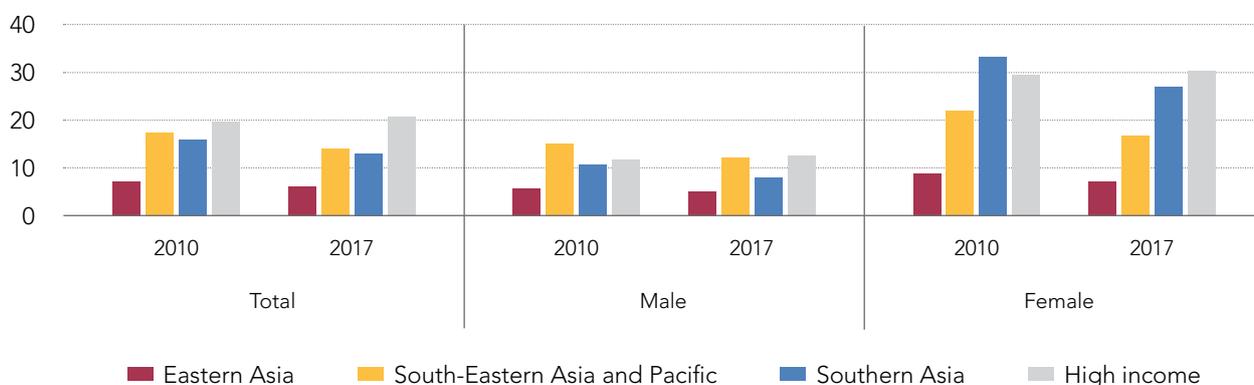
The gig economy provides access to a hugely scalable workforce, in which workers are supplied “just in time” and compensated on a “pay-as-you-go” basis. A driver for Uber or other ride-hailing service is a good example. These work practices have the potential of redefining the boundaries of enterprises and, in turn, reshaping the hierarchy of the worker-employer relationship (De Stefano, 2016; ILO, 2016).

Although it is hard to estimate the number of workers in the gig economy, the University of Oxford’s Online Labour Index (OLI) provides some estimates on the demand and supply of online freelance labour across countries.<sup>1</sup> According to the data, the gig economy grew 26 per cent between July 2016 and July 2017, and the increase is expected to grow exponentially. Asia is designated as the largest source of online crowdworkers, especially in the area of software development and technology. India alone is estimated to supply 24 per cent of online labour (with 55 per cent market share of online work in software development). Beyond India, three other Asian countries figure among the top-five countries providing online workers: Bangladesh, Pakistan and the Philippines (the United States is the other country). The OLI does not yet have data on China, but one national study estimated that platform employees accounted for 9.7 per cent of new jobs in urban China in 2017 and that the number of job opportunities in the digital economy could reach 415 million by 2035 (Ruan et al., 2017).

The challenges related to the gig economy are the lack of income security (although based on the discussion in the previous section, non-gig work can also be precarious in the region), weak bargaining position of platform workers, undefined working hours that can interfere with the work-life balance, lower access to social protection and training opportunities (ILO, 2016). A recent ILO study (ILO, 2018g) based on a survey of 3,500 online crowdworkers (with strong representation from India and Indonesia), developed a profile of crowdworkers as primarily male, well educated (57 per cent of survey respondents with university or higher education) and earning low wages – often below the minimum wage – from the task work that is taken up primarily to supplement other more constant household income. The report acknowledges the opportunities brought by the spread of online digital labour platforms, and makes suggestions on how to bring online work closer to decent work.

<sup>1</sup> Compiled by the iLabour project of the University of Oxford. The data are collected from four of the largest online labour platforms: Fiverr, Freelancer, Guru and PeoplePerHour and represent about 40 per cent of the global market for such work.

**Figure 1.25: Part time employment rate, by subregion and sex, 2010 and 2017 or nearest years (% share of workers employed fewer than 30 hours per week)**



Note: Results are simple averages of available countries. Eastern Asia does not include China and Southern Asia does not include India because the data were not available for the two countries. Country-level results are available in Annex table A8. Results are for 2010 and 2017 or nearest available years.

Source: Calculations based on ILOSTAT, Employment distribution by hours actually worked (by sex) (accessed May 2018).

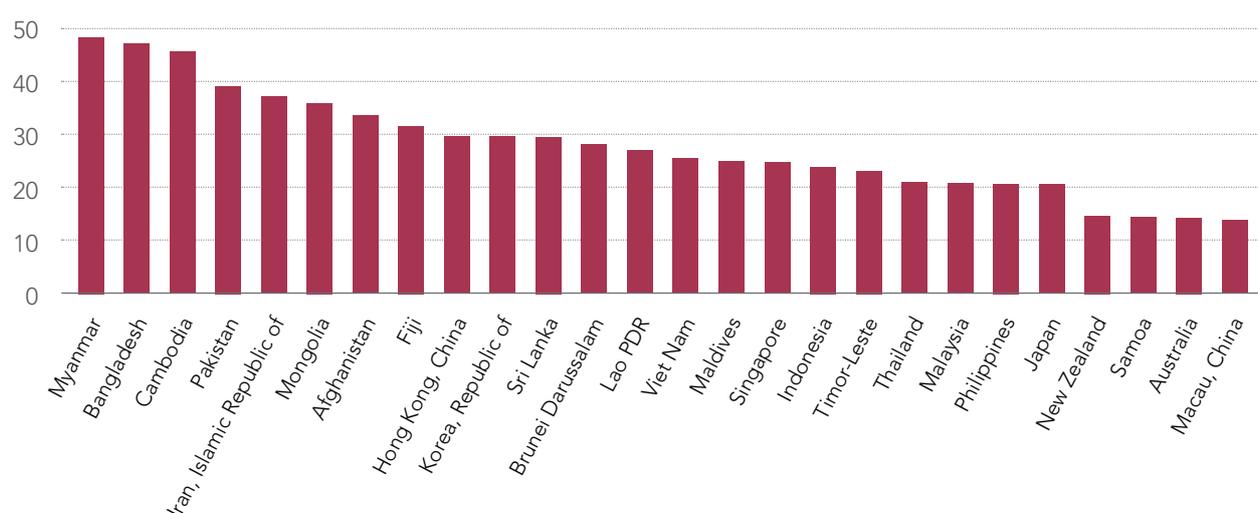
## The bane of long working hours in Asia and the Pacific

The phenomenon of excessive working hours is huge in Asia, with large numbers of workers in the region, especially the low-paid workers, consistently clocking more than 48 hours per week. In Southern Asia, the proportion of persons working long hours per week was 54.5 per cent in 2017, with Eastern Asia not far behind, at 44.9 per cent (ILO, 2018d). Eastern Asia had the highest percentage of persons working in excess of 60 hours per week, at 18 per cent (shares in Southern Asia and South-Eastern Asia and the Pacific were 12 per cent and 11 per cent, respectively).

The mean of hours actually worked in Southern Asia and Eastern Asia were the world's highest in 2017, at 46.4 hours and 46.3 hours per week, respectively (ILO, 2018d). By comparison, the global mean of hours worked per week was 43, with significantly lower numbers in developed regions, such as North America (at 38.7 hours) and Northern, Southern and Western Europe (at 36.4 hours). The statistical results show that robust economic growth and the large productivity gains in the region have not translated into reduced or shorter working hours, which can have serious implications for workers' well-being.

In Bangladesh, Cambodia, and Myanmar, more than 45 per cent of employed people worked long hours per week in the latest available data (figure 1.26). In comparison, the shares in Australia, Macau (China), New Zealand and Samoa were nearly 15 per cent. Persons most likely to work excessively long hours per week were those in informal employment according to the data in ILO, 2018c (at 51.8 per cent among informal workers compared with 42.8 per cent of the formally employed). Careful analysis of the distribution by sector of long working hours revealed that in the Philippines, Thailand and Viet Nam, people were working long hours in the manufacturing sector, followed by the service sector (trade, transport, and accommodation and food services). And this trend hadn't changed much in the recent past. For example, Kusakabe (2006) reported that piece-rate workers in the manufacturing sector in Thailand usually worked long hours.

**Figure 1.26: Employed persons working more than 48 hours a week, available countries and economies in the Asia-Pacific region, latest years (%)**



Note: Data represent actual hours worked per week.

Source: ILOSTAT, Employment distribution by hours actually worked (accessed May 2018).

Long working hours have been shown to have adverse impacts on workers' physical health, mental well-being and work performance (Lee, McCann and Messenger, 2007; Kodz et al., 2003). On the demand side, the expectation of employers for long working hours have limited women's access to highly paid jobs and to thus serve as a barrier to overall career progression (Fagan et al., 2012). Two countries that have become infamous for their culture of long working hours are Japan and the Republic of Korea. In recent attempts to combat "death from overwork" (*karoshi* in Japanese and *gwarosa* in Korean), both countries are introducing counter measures through legislation and policy. The Republic of Korea, for example, recently passed a law to cut the typical work week from 68 to 52 hours.

In addition, the world of work is revolutionized with the advent of new information and communications technologies. Telework and ICT-mobile work (T/ICTM) have been gaining prominence in different countries and as a result, office or other paid work can be carried out from anywhere (as opposed to the traditional work spaces). Because they offer new opportunities, they also pose new challenges. The ILO and Eurofound (2017) discussed the ambiguous and even contradictory effect of the T/ICTM on working conditions. On one hand, such a work arrangement can reduce commuting time, induce autonomy of hours worked and help raise productivity. On the other hand, it can be disadvantageous for its tendency to promote work from anywhere and anytime and to disrupt the work-life balance.

The statistics on long working hours indicate that the region has more work to do when it comes to legislating and enforcing safe working hours. Some countries still have no universal national limit for maximum weekly working hours (India, Kiribati, Myanmar, Pakistan and Sri Lanka), and many countries still have a high threshold of 48 hours (Ghosheh, 2013). Only seven countries have ratified one of the three ILO Conventions regulating working hours: Bangladesh, India, Myanmar and Pakistan (Convention No. 1), Australia, New Zealand and the Republic of Korea (Convention No. 47) and none for Convention No. 30.<sup>39</sup>

### Well-being and perceptions of job satisfaction

Should we assume that workers in the Asia-Pacific region aspire to stability in the workplace, a good wage, better balance in the work-home life and a sense of fulfilment on the job? Before we bemoan the lack of stable jobs on the behalf of workers in the region, let us first confirm that Asian-Pacific workers aspire to decent work. Unravelling the elements of job satisfaction can be useful to generate advice for employers (for paid employees only) on how to gear investments in the realm of human resources towards generating a happier and more productive workforce and more broadly to governments for prioritizing labour market policies and legislation.

To understand what matters to workers in the region, two approaches are possible: one, looking at data from polls on aspirations or well-being; and two, utilizing "soft" information from the Labour Force Surveys, such as data that capture perceptions. Two such questions are included in a handful of Labour Force Surveys in the region: (i) a general one related to current job satisfaction (on a scale from highly satisfied to highly dissatisfied) and (ii) one relating to the desire to change the current job and why. Interestingly, the two questions do not always align. For example, while 18 per cent of workers in Myanmar stated they would like to change their current job in 2017,

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<sup>39</sup> The Hours of Work (Industry) Convention, 1919 (No. 1), the Hours of Work (Commerce and Offices) Convention, 1930 (No. 30) and the Forty-Hour Week Convention, 1935 (No. 47). See also the Reduction of Hours of Work Recommendation, 1962 (No. 116).

fewer admitted to being dissatisfied with the job (10 per cent). Among workers who stated job satisfaction, 77 per cent said they would like to change their job. Meanwhile, 42 per cent of those stating they would like to change their job had expressed a degree of job satisfaction.

Given its subjective nature, the question on job satisfaction in the Labour Force Surveys was therefore rejected for further analysis. Willingness to change job, while also subjective, does bring some value in demonstrating what people want from their jobs. The question was asked in national Labour Force Surveys in six countries only; the results contain shares ranging from 5.6 per cent in Fiji to 18.4 per cent in Bangladesh (table 1.9). Differences between the sexes were not large, with the exception of Bangladesh, where as much as 37.2 per cent of female workers had either looked for additional hours or new work in the previous month, compared with 10.2 per cent of male workers (the stricter concept was used here; see the table note for explanation).

Regarding the reasons that workers would like to change their jobs, issues of job quality came front and centre. Workers would primarily like to change jobs in search of better wages or earnings, to have a better career prospect or, more generally, to have better conditions on the job, including better hours of work.

**Table 1.9: Share of employed persons who want to change their main job and reason, by sex, available countries in the Asia-Pacific region, 2017 (%)**

Country	% willing to change job			Main reasons (two most frequent responses, % in total)		
	Total	Male	Female	Total	Male	Female
Fiji	5.6	5.7	5.4	Better pay: 56.4 Better career prospect: 16.9	Better pay: 53.8 Present job is temporary: 18.4	Better pay: 61.9 Better career prospect: 18.7
Samoa	6.9	6.4	7.8	Better career prospect: 92.5 Other: 4.8	Better career prospect: 95.1 Other: 3.7	Better career prospect: 88.3 Other: 6.7
Lao PDR	13.2	14.2	12.1	Better career prospect: 42.5 Better working conditions or hours of work: 26.4	Better career prospect: 44.3 Better working conditions or hours of work: 24.8	Better career prospect: 0.1 Better working conditions or hours of work: 28.6
Brunei Darussalam	14.8	15.5	13.8	Better pay: 50.7 Better career prospect: 26.6	Better pay: 55.4 Better career prospect: 26.6	Better pay: 43.8 Better career prospect: 31.5
Myanmar	17.3	18.9	15.0	Better working conditions or hours of work: 46.0 Better pay: 27.8	Better working conditions or hours of work: 45.8 Better pay: 27.2	Better working conditions or hours of work: 46.6 Better pay: 28.9
Bangladesh	18.4	10.2	37.2	Other: 62.1 Better pay: 17.6	Other: 36.3 Better pay: 29.5	Other: 86.1 Better pay: 6.5

Note: The table shows the share of workers who said they would like to change their current employment situation, with the exception of Bangladesh, which reflects the share of employed persons who stated they had looked for additional work or hours in the previous 30 days. Data for Fiji is for 2016 and Brunei Darussalam is for 2014.

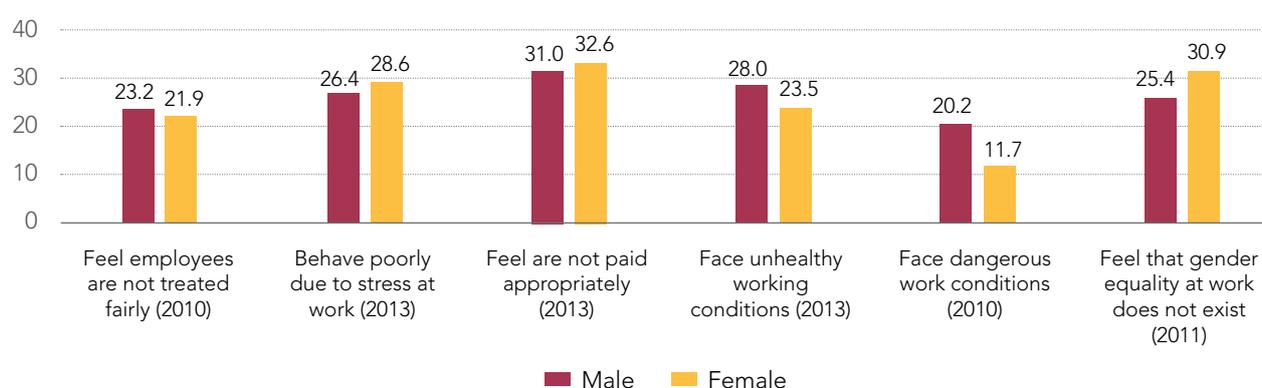
Source: Calculations based on national Labour Force Surveys from the ILO repository of microdata files.

With access to data for only six countries in the region on willingness to change jobs, Labour Force Surveys as a source of information on perceptions of workers has shown its limitations. For a broader assessment of issues of job quality and well-being, a useful additional source of information is the Gallup World Poll.<sup>40</sup> Six variables linked to the well-being are extracted from the Gallup World Poll for a total of 22 countries in the region (those with available data). The variables of worker well-being include: (i) feel employees are not treated fairly; (ii) behave poorly due to stress at work; (iii) feel not paid appropriately; (iv) face unhealthy working conditions; (v) face dangerous work conditions; and (vi) feel that gender equality at work does not exist. Data for all available countries are provided in [Annex table A9](#). Unfortunately, coverage does not include any Pacific islands, and the reference years for these variables are already dated and were not tracked over time.

What is important about the results is that perceptions of work quality issues prevail in all (available) countries, rich and poor alike. Workers in Australia were nearly as likely to feel they were not paid appropriately as workers in the Philippines and Thailand, for example. A larger share of workers in high-income Australia (15 per cent) and the Republic of Korea (34 per cent) said employees are not treated fairly, compared with lower-income countries like Cambodia (9 per cent). In 11 of the 20 countries with data, between 15 per cent and 25 per cent of workers said they faced dangerous work conditions. Many workers, from 10 per cent in Bangladesh to 54 per cent in Cambodia, felt they were dealing with unhealthy working conditions. And many, from 15 per cent of workers in Nepal to 45 per cent in the Philippines, admitted that stress at work had caused them to behave poorly at times. Finally, feelings of gender equality prove to be especially strong in certain economies; at least one third of workers felt that gender equality at work did not exist in Afghanistan, India, Japan, Mongolia, Nepal, Pakistan, the Philippines, the Republic of Korea and Taiwan (China).

Perhaps not surprising, female workers were more likely than male workers to remark on gender inequality at work. Taking a simple average of all national results, [figure 1.27](#) shows that while more female than male workers thought they were inappropriately paid, had behaved poorly due to stress at work and that gender equality at work does not exist, more male than female workers endured unhealthy and/or dangerous work conditions and felt that employees were not fairly treated.

**Figure 1.27: Variables of worker satisfaction or dissatisfaction from the Gallup World Poll, by sex, latest years (%)**



Note: Results are simple averages of available national results, with coverage from 20 to 22 Asian countries per variable.  
Source: Calculations based on the Gallup World Poll.

40 Gallup's World Poll continually surveys residents in more than 150 countries, representing more than 99 per cent of the world's adult population. Gallup typically surveys 1,000 randomly selected individuals in each country, generating nationally representative samples.

## 1.5 Regional labour market outlook

Over the coming years, economic growth is expected to remain strong in the region, with growth rates of 5.6 per cent expected for 2018 and 2019, compared with the 3.9 per cent at the global level. However, there are some fragilities lurking below the surface that are creating uncertainties about whether the positive forecasts will materialize. For instance, half of all countries in the region experienced slower annual GDP growth in 2017 than in 2016, and some of them expect a further slowdown in 2018 and 2019 (see [Annex table A1](#)).

The outlook on key labour market indicators show some worrying signs for the region in the short term. While the aggregate regional unemployment rate is projected to hold steady at 4.1 per cent through 2020, the share of persons in both the labour force (LFPR) and employment (EPR) will continue to decline as a reflection of slowed population growth and trends in educational enrolment. The productive potential of a shrinking labour force threatens to undercut the region's reputation as the world's assembly line. Also worrying are the projected trends in vulnerable employment and the gender gap in the LFPR, both of which are moving in the wrong direction in the region. The gap between the male and female LFPRs is projected to widen between 2017 and 2020, led by Eastern Asia and Southern Asia, much to the frustration of all parties pushing regional and national agendas towards gender equality. And after years of positive trends in lowering vulnerable employment, the share is projected to creep up again, towards 49 per cent by 2020 at the regional level, although oddly enough, trends continue slightly downward in the three subregions (see projections in [table 1.10](#)).<sup>41</sup>

The unemployment rates at the regional and subregional levels are expected to remain fairly static, with one slight exception. In Eastern Asia, between 2019 and 2020, a slight increase in the regional unemployment rate is projected, from 4.5 per cent to 4.6 per cent. In the other subregions, however, no change over the rates in 2017 are expected. In South-Eastern Asia and the Pacific and in Southern Asia, the unemployment rates are projected to remain at 2.9 per cent and 4.1 per cent, respectively, through 2020.

As is usually the case, the projected youth unemployment rates show more volatility than the overall rates. In Eastern Asia, the youth unemployment rate is expected to decrease from 10.5 per cent in 2017 to 10.4 per cent in 2018 and hold steady at that rate through 2020. In South-Eastern Asia and the Pacific, youth are expected to experience a steady increase in their unemployment rates, rising from 9.5 per cent in 2017 to 10.1 per cent in 2020, thus nearly on par with the subregional average of Eastern Asia. The youth unemployment rate is also projected to increase among Southern Asian countries, with the subregional average reaching 11 per cent in 2020, up from 10.8 per cent in 2017. While in South-Eastern Asia and the Pacific, both the male and female youth unemployment rates are expected to increase (by 0.5 percentage point for male youths and 0.7 percentage point for female youth); in Southern Asia, the subregional increase will associate entirely with young men; the male unemployment rate is expected to increase by 0.2 percentage point in the subregion, to 10.6 per cent, while the female youth rate is expected to hold steady at the higher rate of 12.2 per cent (sexes not shown in [table 1.10](#)).

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<sup>41</sup> The projected increased aggregate rate in the face of declining subregional trends reflects an increasing share of Southern Asia in the numerator and denominator as employment numbers decline in Eastern Asia.

**Table 1.10: Projections of key labour market indicators in the Asia and the Pacific region, 2017–20**

Region or subregion	Indicator	2017	2018	2019	2020
Asia and the Pacific	EPR	59.7	59.4	59.1	58.8
	LFPR	62.2	61.9	61.7	61.3
	Gender gap LFPR (male-female)	31.3	31.5	31.7	31.9
	Unemployment rate – total	4.1	4.1	4.1	4.1
	Unemployment rate – youth	10.4	10.5	10.5	10.6
	Vulnerable employment rate	48.6	48.6	48.7	48.8
Eastern Asia	EPR	64.9	64.5	64.0	63.5
	LFPR	68.0	67.5	67.0	66.5
	Gender gap LFPR (male-female)	15.3	15.4	15.6	15.7
	Unemployment rate – total	4.5	4.5	4.5	4.6
	Unemployment rate – youth	10.5	10.4	10.4	10.4
	Vulnerable employment rate	31.2	31.1	31.1	31.0
South-Eastern Asia and the Pacific	EPR	66.1	66.0	65.9	65.7
	LFPR	68.0	67.9	67.8	67.7
	Gender gap LFPR (male-female)	23.0	22.9	22.9	22.7
	Unemployment rate – total	2.9	2.9	2.9	2.9
	Unemployment rate – youth	9.5	9.6	9.9	10.1
	Vulnerable employment rate	46.0	46.0	45.9	45.8
Southern Asia	EPR	51.9	51.8	51.7	51.6
	LFPR	54.1	54.0	53.9	53.8
	Gender gap LFPR (male-female)	51.2	51.3	51.4	51.5
	Unemployment rate – total	4.1	4.1	4.1	4.1
	Unemployment rate – youth	10.8	10.9	10.9	11.0
	Vulnerable employment rate	72.1	72.0	71.9	71.8

Note: All figures are percentages, except for the gender gap, which is percentage point difference.

Source: ILOSTAT, various tables of ILO modelled estimates (accessed May 2018).

# 2

## Decent work and the 2030 Agenda



### 2.1 Introduction

The 2030 Agenda for Sustainable Development embraces three dimensions of sustainability – economic, social and environmental. It has 17 goals that aim to build on the progress achieved under the Millennium Development Goals (MDGs). The four pillars of the ILO Decent Work Agenda – promoting decent jobs, guaranteeing rights at work, extending social protection and promoting social dialogue – are reasonably well reflected in the 2030 Agenda as crucial elements of inclusive economic growth and sustainable development.

SDG 8 most specifically relates to the Decent Work Agenda. But like MDG target 1b (full and productive employment and decent work for all before it, SDG 8 taken alone does not offer sufficient space to tackle the breadth of decent work-related topics. Other topics linked to the world of work, including social protection and education, are spread throughout all the other goals and targets. Mapping the Decent Work Agenda across SDG targets is thus a good start to demonstrating the interconnectivity of the world of work to broader aspects of inclusive and sustainable growth. Such mapping should then be accompanied by an articulation of the mechanism whereby decent work enables sustainable development. The better that the decent work and sustainable and inclusive growth nexus is articulated, the better armed policy-makers will be to push for decent work in the national framework for SDG planning and implementation and aligning it to national priorities.

Based on the popular sentiment regarding decent work and economic growth as a priority topic for development, this chapter provides governments and social partners with an approach for, first, articulating decent work as an accelerator of economic growth and sustainable development and,

second, mapping the elements of decent work within the SDGs, where empirical evidence exists, to reinforce the story of decent work-led acceleration. The remainder of the chapter is organized as follows: Section 2.2 discusses some of the challenges associated to SDG implementation, both in the context of an increasingly complex global setting and an exponentially more complex development agenda. Section 2.3 sets out to articulate an equation for making progress toward sustained, inclusive and sustainable economic growth in an amalgamated “SDG 8+”, that is then given fuel with the more detailed policy mix to make it work in section 2.4. Section 2.5 goes into more details on how one specific element of the decent work policy “toolkit” – wage policy – can serve as a positive catalyst across multiple SDG targets, to accelerate progress towards decent work-led inclusive growth. Finally, section 2.6 offers a brief sketch of where current themes linked to the future of work can be mapped to the SDGs.

## 2.2 Challenges of SDG implementation

Development issues have grown in complexity.

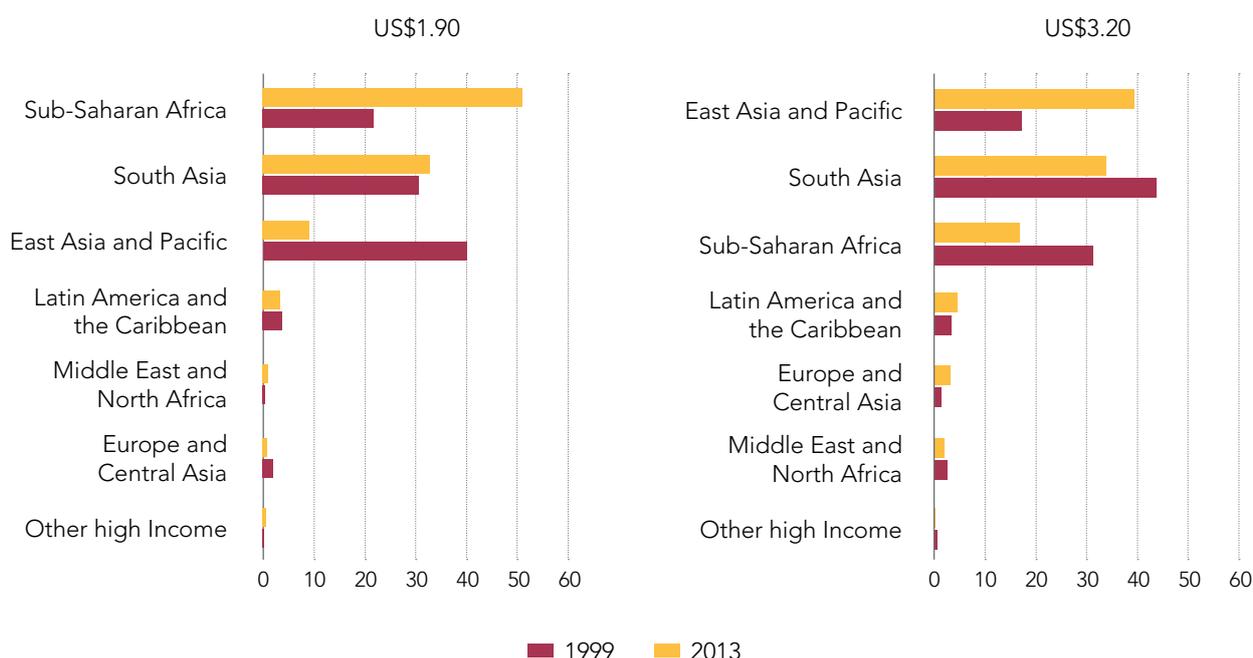
The SDGs are significantly more complex than the MDGs, which covered the period of 2000 to 2015. One reason is that, by the time 2015 came around, two-thirds of the world’s poor were living in middle-income countries. Between 2000 and 2015, 30 countries moved from low-income status to middle-income status, including India and Indonesia (based on World Bank income classification).<sup>42</sup> In the 1999 pre-MDG world, approximately two-thirds of persons living in extreme poverty (measured as income of less than \$1.90 per day in 2011 PPP) were residing in low-income countries. By 2013, it was one in three persons.<sup>43</sup> What’s more, the geographic distribution of poor households has changed considerably. In 1999, seven in ten persons living in extreme poverty were in the regions of Eastern Asia and the Pacific or Southern Asia; by 2013, the share had fallen to four in ten persons (figure 2.1). The Asian regions now enfold the largest proportions of the world’s “near poor” (73 per cent in 2013), or persons living on income below the international poverty line of \$3.20 per day.

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42 Note that the classification for China as a lower-middle-income country (from a low-income country) took place only in 1999. The jump to upper-middle-income country occurred in 2008, according to the World Bank Atlas Method. For information, see <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups> (accessed 25 Apr. 2018).

43 Calculations based on information taken from PovcalNet (accessed 25 Apr. 2018).

**Figure 2.1: Regional distribution of poverty at \$1.90 and \$3.20 per day, 1999 and 2013 (% of global poor population)**

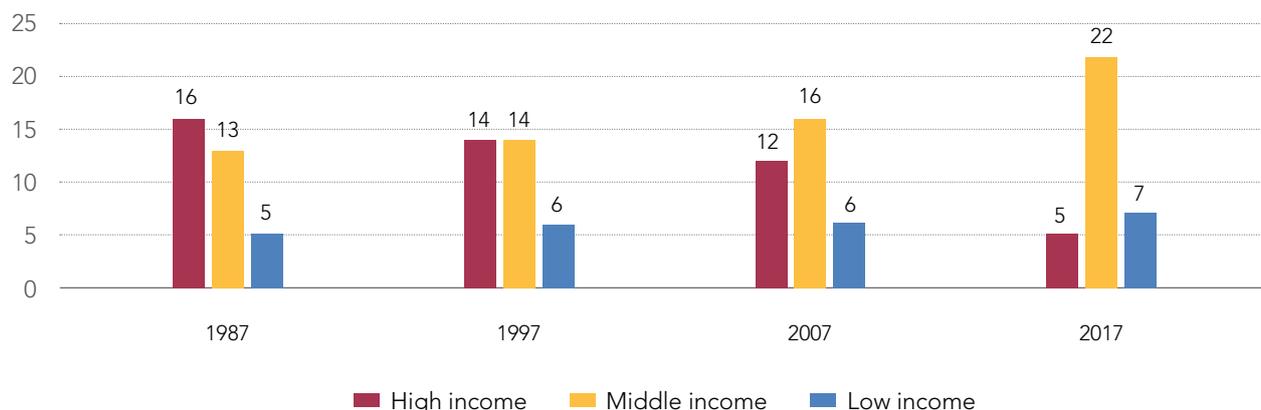


Source: Calculations based on World Bank PovcalNet, Regional aggregation using 2011 PPP and the \$1.90 per day and \$3.20 per day poverty line (accessed 25 Apr. 2018).

Why does the much-changed poverty picture matter to SDG implementation? It matters because in the post-2015 setting, with the global balance tipped towards higher levels of income overall, the development storyline is not just about reducing extreme poverty but also, through an expansion of social policies, to prevent persons teetering on the poverty threshold from falling backwards. In the pre-SDG era, when 14 countries in the Asia-Pacific region were at the low-income status (with 14 middle-income countries, as shown in figure 2.2), a strategy of making progress towards the MDGs primarily focused on attracting development aid. Now, with 22 countries in the region at middle-income status, the success of development strategies rests more with strengthening national institutions and making choices on the use of limited financial resources towards social services and expanding productive job creation and labour rights as a mechanism to help pull the final few out of extreme poverty and prevent the “near poor” from slipping backwards (van der Hoeven, 2012).<sup>44</sup>

<sup>44</sup> The Overseas Development Institute’s “leave no one behind” index 2018 assesses the readiness of Voluntary National Review countries to meet their 2030 Agenda (leave no one behind) commitment. While the majority of the 86 assessed countries were deemed “ready” (55 ready, 24 partially ready, five not ready, two without data), the ranked readiness of volunteering Asian-Pacific countries is below the assessed average (with ten of the 17 Asian-Pacific countries given an outcome of partial progress (8) or off track (2)). Only three countries in the region were judged “ready” in the area of policy, which looks at whether countries have key policies in place related to women’s access to land and employment and universal health. See ODI, 2018.

**Figure 2.2: Income groupings of Asian-Pacific countries, 1987, 1997, 2007 and 2017 (number of countries)**



Source: Based on World Bank income groupings, historical classification.

### The breadth of the 2030 Agenda means national strategies are priority based.

It is not possible for a country to advance in all aspects of the 2030 Agenda at once. With 17 goals and 169 targets, choices must be made to prioritize areas of focus at the national level, in a way that aligns to the country's development strategies and associated policies. Fortunately, there are an increasing number of tools on offer from international organizations, non-government organizations and think tanks to help countries prioritize action. The general premise of most of these tools is that, given the limitations on policy space and financial resources, national SDG frameworks might as well focus on the few SDG targets that have the most positive crossover (multiplier) effects to other targets and goals. In crude terms, the aim is to get the most bang for the buck when developing national SDG frameworks and moving towards implementation.

Yet, making sense of how the goals and targets work together is no simple matter. Sustainable development has interlinking elements that push and pull on one another; that cancel each other out or complement each other to magnify impacts; that benefit certain population groups and not others. And each of these interplays are context specific, differing from one country to the next.

The research space in conceptualizing and assessing how the SDGs interact with each other has taken off. Many organizations and institutions have stepped in to develop tools to guide national stakeholders through their integrated planning processes.<sup>45</sup> The complexity of approaches vary, from the simple identification of interactions (such as Le Blanc, 2015) to the more nuanced discussion of synergies and trade-offs (for example, OECD, 2017a) and then to those applying a more scientific assessment of interactions (for example, Collste, Pedercini and Cornell, 2017). A selection of reports or guides that look at mechanisms to support SDG implementation are summarized in [table 2.1](#).<sup>46</sup>

<sup>45</sup> Oddly enough, most "mapping" and systems-based analyses of SDG interlinkages seem to be applied to the SDGs linked to energy (SDG 7) and the environment (such as SDGs 6 and 15).

<sup>46</sup> A broader array of models, methodologies and guidance to support policy makers in the implementation of the SDGs is available on the UNESCAP hosted SDG Helpdesk at <https://sdghelpdesk.unescap.org/toolboxes>.

**Table 2.1: Assortment of methodologies and tools to support SDG implementation**

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**United Nations Development Programme: SDG Accelerator and Bottleneck Assessment**

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Building on the MDG Acceleration Framework as applied in 60 countries, this tool (UNDP, 2017) aims to support countries to identify catalytic policies or programmes that trigger multiplier effects across the SDGs while also identifying solutions for bottlenecks.

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**United Nations Economic and Social Commission for Asia and the Pacific: Systems thinking**

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The ESCAP “systems thinking” approaches offer a means of visualizing causal relationship between elements and indicators and identifying “policy leverage points” (ESCAP, 2017). The overall aim is to assist countries to maximize impact investment in achieving their prioritized SDGs. The current application includes the development of the *Sustainability Outlook of Mongolia*.

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**Millennium Institution: iSDG**

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iSDG is a model designed by the Millennium Institution to facilitate analysis of systemic relationships between SDGs. The model uses programmed casual relationships to simulate trends for the SDGs under “business-as-usual” scenarios, as compared to outcomes based on specific investment choices. The model has been applied to assess, for example, the interactions among educational attainment, life expectancy and electricity access in Collste, Pedercini and Cornell, 2017. See [www.millennium-institute.org/isdg](http://www.millennium-institute.org/isdg).

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**Institute for Global Environmental Strategies (IGES): SDG Interlinkages Analysis and Visualization Tool**

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The project identifies the causal links between pairs of the 169 SDG targets, based on literature reviews and a process of international consultation. The causal links between targets are further quantified for nine selected Asian countries (Bangladesh, Cambodia, China, India, Indonesia, Japan, the Republic of Korea, the Philippines and Viet Nam), based on the indicators and the time series data for the targets. An online visualization tool that maps links for the countries assessed to data, various analytical reports and links to forthcoming training events are available on the IGES website: <https://sdginterlinkages.iges.jp>.

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**Organisation for Economic Co-operation and Development (OECD): Framework for Policy Coherence for Sustainable Development**

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This framework provides guidance on how to design, implement and monitor coherent and integrated policies for sustainable development. This entails fostering synergies across economic, social and environmental policy areas; identifying trade-offs and reconciling domestic and international objectives; and addressing the spillovers of domestic policies on other countries and on future generations. The methodology is applied primarily to show the interactions between SDGs 6, 7, 11, 12 and 15. An online course is available (see [www.oecd.org/development/pcd](http://www.oecd.org/development/pcd)). The application in OECD countries to date is described in OECD, 2017a.

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**International Council for Science: A Guide to SDG Interactions: From Science to Implementation**

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This report (Griggs et al., 2017) examines the interactions between the various goals and targets, determining to what extent they reinforce or conflict with each other. The authors demonstrate that a science-informed analysis of interactions across SDG domains – identifying trade-offs and synergistic relations – can assist decision-makers in the dialogue on choices to be made in the design of national sustainable development strategies. The methodology is the brainchild of the Stockholm Environment Institute, an organization that continues to apply its seven-point typology of interactivity in various studies intended to help countries move forward on the implementation of the 2030 Agenda. See also Nilsson, 2017; Weitz et al., 2018;<sup>1</sup> and further documentation at: [www.sei.org/sdgs-agenda-2030/](http://www.sei.org/sdgs-agenda-2030/).

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This case study supported by the Overseas Development Institute (Machinguara and Lally, 2017) is written from the perspective of an imaginary country – Progressia – as it strives to navigate the trade-offs to be made in implementing the SDGs.<sup>2</sup> One tool proposed in the case study is the Poverty and Social Impact Analysis, developed by the World Bank, to appraise the distributional and social impacts of policy reforms on the well-being of people who are poor and the most vulnerable.<sup>3</sup>

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<sup>1</sup> Weitz et al. (2018) offer a rich and comprehensive literature review on the state of application of the “system perspective”, finding a host of research projects that discuss particular goals or subgoals in connection to other goals or methodologies for assessing synergies and trade-offs and a handful that attempt an assessment of links across all goals. The paper concludes, however, that a research gap remains, hence its pilot construction of a context-sensitive method for assessing the interconnectivity of the 2030 Agenda applied to a specific country, Sweden. In the model as many as 1,122 interactions were mapped and scored. Bear in mind that the authors applied the methodology to a subset of 34 SDG targets deemed most relevant in the context of Sweden. Applying the 169 SDG targets would result in a matrix of more than 28,000 fields.

<sup>2</sup> A total of 49 case studies were produced by the Overseas Development Institute’s Development Progress project.

<sup>3</sup> For more on the Poverty and Social Impact Analysis, see <http://www.worldbank.org/en/topic/poverty/brief/poverty-and-social-impact-analysis-psia> (accessed 23 Apr. 2018).

One danger of such methodologies is that their complexity can be off-putting and beyond the scope of comprehension for some policy-makers. If policy-makers buy in to the methodology, at best they can accept the results of the academic data scientists who produced them and use the evidence to support their favoured policy investment strategy. Organizations like the Economic and Social Commission for Asia and the Pacific (ESCAP), the United Nations Development Programme (UNDP) and the OECD, try to avoid this by making national constituents the “owners” of the process through a participatory and capacity-building approach. Still, it is not yet clear that the tools – as rigorous and defensible as they may be – have or will impact the decision-making process for defining SDG priorities and adopting or adapting policies accordingly.

### 2.3 Defining decent work-led inclusive growth

The SDGs touch upon the principal areas of the ILO mandate: promoting decent jobs, guaranteeing rights at work, extending social protection and promoting social dialogue. This is a significant change from the MDGs, wherein the employment element of the income and growth nexus was left out of the initial formulation. Target 1b “to achieve full and productive employment and decent work for all” was added in 2005, although the progress narratives that followed were limited in their capacity to build a greater understanding of poverty, employment and development as a whole. SDG 8 on decent work and economic growth is thus a tremendous improvement in offering a more nuanced treatment of labour, especially with the recognition of labour rights under target 8.8.

With 12 targets under SDG 8, there is the possibility to design a narrative regarding the path by which decent work leads to inclusive growth (see [box 10](#)). Luebker (2017) proposed the following as narrative of an orthodox view linking economic and social progress via decent work:

policies for productivity (targets 8.1–8.4, 8.10) + employment and decent work (targets 8.3, 8.5, 8.6, 8.9) + ¾ set of core labour rights<sup>47</sup> (targets 8.5, 8.7, 8.8) = sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (SDG 8).

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<sup>47</sup> The SDGs do not mention the rights to freedom of association and collective bargaining nor the right to strike, which are core elements of the ILO Fundamental Principles and Rights at Work.

## Box 10

### Targets for SDG 8: Decent work and economic growth

- 8.1: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries
- 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors
- 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services
- 8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the ten-year framework of programmes on sustainable consumption and production, with developed countries taking the lead
- 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training
- 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms
- 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
- 8.9: By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products
- 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all
- 8.a: Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries
- 8.b: By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization

The “heterodox inquiry” on how and under what conditions productivity gains translate to higher incomes, according to Luebker (2017), concluded that an important element is so far missing from the equation: reducing inequality and the role of institutions, which are picked up in SDG 10. Van Bergeijk and van der Hoeven (2017) argued that without stronger action to promote equality of opportunities and outcomes, countries will not meet the objectives set out in the SDGs. Increasing inequality in many high-growth countries in the region threaten the sustainability of growth. Upper-middle income countries like China and Thailand, for example, will benefit from renewed focus on policies that empower the bottom percentile of income earners and promote wider economic inclusion (see also Chapter 3 for policy implications by income grouping).

The point here is that the equation does not necessarily lead to inclusive development. The evidence on labour market trends in Chapter 1 points to the continuing vulnerabilities of persons on the lower rungs of the income ladder, with the lack of stable jobs being one of the principal

culprits.<sup>48</sup> Productivity growth in the region has been strong, as has employment growth and even pro-poor growth, but the growth trajectories based on industrialization in the region have not proven to be inclusive.<sup>49</sup> To make the equation work – to promote sustained and inclusive economic growth through the promotion of decent work and labour rights – labour markets require institutional interventions, such as good governance. Thus, [figure 2.3](#) sets out a revised equation for the policy priorities needed to achieve sustained, inclusive and sustainable economic growth, bringing in the elements required for reducing inequalities that are linked to SDG 10.

**Figure 2.3: Decent work-led pathway to sustained, inclusive and sustainable economic growth (SDG 8+)**

Policies for:	Core SDG targets	Linked SDG targets
(1) Productivity gains	8.1, 8.2, 8.10	1.2, 1.3, 9.1, 9.2, 9.3
+ (2) employment and decent work	8.3, 8.6, 8.9	1.2, 1.3, 4.3, 4.4, 5.5, 8.4
+ (3) core labour rights	8.5, 8.7, 8.8	
+ (4) reduced inequalities	10.1, 10.3, 10.4, 10.5, 10.7	5.1, 5.c, 16.6

↓

**Sustained, inclusive and sustainable economic growth (SDG 8+)**

Source: Based on Luebker, 2017.

With this formula, the SDG framework can be used to articulate a decent work-led pathway to inclusive growth and to pinpoint the policies that can be most effective at accelerating progress towards this end.<sup>50</sup> The broader goal is called SDG 8+ because it adds in the elements from SDG 10 and links to other SDGs (1, 4, 5, 9 and 16), which should facilitate progress on reducing inequalities and, in turn, make growth more inclusive. [Box 11](#) presents the targets implicated in the revised SDG 8+.

48 In a broad review of countries that made remarkable progress in “catching up” to developed countries, Nayar (2017) similarly found that rapid economic growth did not always translate to development that improves the well-being of the majority of households. The blockage, he reported, was income inequality.

49 At least, not until the structural transformation towards manufacturing reached a peak of approximately 20 per cent of total employment in a country. Some quickly industrializing countries, such as Viet Nam, are still benefiting from the strength of economic growth led by high levels of investment and increasing shares of industrial employment to pull up income levels at both the bottom and middle levels at a faster pace than income growth of the top 10 per cent.

50 Instead of “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”, it would be better to use an alternative phrasing to SDG 8: “Promote full and productive employment and decent work for all for sustained, inclusive and sustainable economic growth”. This would help to make the case more clearly that employment and social policy are the triggers of inclusive economic growth and not the other way around.

## Box 11

### Targets for SDG 8+: Decent work and inclusive economic growth (core and linked)

#### Core targets

- 8.1:** Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries
- 8.2:** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors
- 8.3:** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services
- 8.5:** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- 8.6:** By 2020, substantially reduce the proportion of youth not in employment, education or training
- 8.7:** Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms
- 8.8:** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
- 8.9:** By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products
- 8.10:** Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all
- 10.1:** By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average
- 10.3:** Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
- 10.4:** Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality
- 10.5:** Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations
- 10.7:** Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies

#### Linked targets

- 1.2:** By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
- 1.3:** Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
- 4.3:** By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university
- 4.4:** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
- 5.1:** End all forms of discrimination against all women and girls everywhere
- 5.5:** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
- 5.c:** Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels

### Box 11 (cont.)

8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation

9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries

9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets

16.6: Develop effective, accountable and transparent institutions at all levels

## 2.4 How to achieve decent work-led inclusive growth

As a next step, additional details on the policy or programme areas that link to each of the targets in SDG 8+ are identified and cross-referenced with existing impact evaluations to thus assess the proven impacts of the policies for the decent work-related outcomes of the SDGs. The ultimate aim of the exercise is to use the evidence base to undertake systematic reviews of policy themes, to account for the different contexts in which the policies took place and to remove biases driven by different conditions. However, for the moment no meta-analyses were undertaken and the remainder of this section rather sets out to frame the evidence base for a decent work-led approach to inclusive growth that can be adapted for future national discourses on SDG implementation.

Even though the ILO webpage on the “2030 Development agenda: ILO focus targets”<sup>51</sup> lists as many as 74 SDG targets that can be linked to areas of the Decent Work Agenda,<sup>52</sup> for the purpose of this report and “proving” the storyline of decent work-induced inclusive growth (via SDG 8+), table 2.2 includes only the 14 direct and 12 indirectly linked targets cited in figure 2.3 and listed in box 11. For ease of reference, the term “SDG 8+ targets” is applied.

To populate each SDG 8+ target with an evidence base on “what works” to promote positive progress, an exercise was undertaken to gather existing impact evaluations in which impact was measured on one or more policy areas that were identified as core or linked to SDG 8+ in figure 2.3 and box 11).<sup>53</sup> The specific themes or areas under which the evidence was grouped are: wages, training, entrepreneurship, social protection, labour standards and working hours, sectoral policies, gender equality, labour migration, local economic development and infrastructure, and a catch-all category for “other areas”.<sup>54</sup> The resulting inventory of evidence found consists of

51 Some of the SDG 8+ targets will serve as indirect targets in the other main policy themes, especially the targets listed under labour rights, which also overlap with the issue of employment and decent work.

52 See <http://www.ilo.org/global/topics/sdg-2030/targets/lang--en/index.htm>.

53 Impact evaluations are policy analysis tools that can generate empirical evidence of the effect of such policies on their targets. The results from these analyses can help establish or identify potential causal relationships emerging between the policies and relevant indicators of target populations and can inform policy reforms as well as other policy and programming decisions. Summaries or syntheses of the existing research on policy impact evaluations can be made to provide more complete and general assessments for given types of policies or policy areas; they are also a powerful knowledge resource for decision-makers.

54 The studies included in the inventory will increase. The aim is to have a “living” database that can support future research, including systematic reviews and meta-analyses. The ILO is increasing its efforts to undertake impact evaluations and engage in systematic reviews (or meta-analysis) to better advise constituents on effective policy-making. See, for example, the “What works in youth employment” platform at [www.wwiney.org/](http://www.wwiney.org/) and such papers as Escudero et al. (2017).

more than 180 studies in Asian-Pacific countries. **Box 12** provides additional information on the methodology for building the evidence base.

The resulting pool of impact evaluations that provide evidence of results of interventions across the ten decent work-related themes tallies at 100 studies (of the total 188 studies collected) and a sum of 262 outcomes measured. The mapping of decent work areas of action to SDG 8+ targets is reflected in **table 2.2**. At most, 57 evaluated outcome assessments were located that link to the policy areas of training and social protection. In contrast, the least-evaluated (in terms of evaluations located) policy theme was in the realm of labour migration. The SDG 8+ target that is supported by the strongest evidence base across an array of policy initiatives (and thus the most amenable of the targets to a future meta-analysis) is target 8.5 on full and productive employment and decent work, with at least one outcome measured per policy theme (73 in total). This reflects in part the breadth of the target and the fact that any action linked to job creation and/or job quality can be matched here. Please note that **table 2.2** does not give information on the direction of the policy impact, be it positive or negative, which is of course an important oversight and worthy of future analysis.

### **Box 12** **Building the evidence base on “what works” in promoting decent work**

A general web scan was made in search of rigorous impact evaluations conducted on policies, initiatives and measures that link to labour market impacts (see policy areas sought in **table 2.2**). The criteria for the broad search of impact evaluations to be added to a regional inventory included:

- The intervention studied took place in the Asia-Pacific region.<sup>1</sup>
- The intervention studied aimed at measuring impact on an area captured by a decent work-related indicator.
- The language used of the published study was English, Japanese, Chinese, Indonesian, Korean or Vietnamese.
- The study applied robust experimental, quasi-experimental or mixed methods of impact evaluation and fully described the data used and methodology applied, gave contextual information of the intervention (such as target groups, period of analysis, potential biases), described impacts assessed for target groups and/or subgroups and described their own theory of change.

Beyond the web scans found in various national languages, many studies were additionally picked up from the general search and others added from various repositories, such as the 3ie portal and the Abdul Latif Jameel Poverty Action Lab (J-Pal).<sup>2</sup>

An additional source for information on evaluations is the ILO i-Eval Discovery portal, which contains 285 evaluation reports under the filter “Asia”. They cover 20 countries in the region and include mostly independent and internal (273) project evaluations, which usually take place at a final stage of project implementation (185) and, to a lesser extent, are interim reports (96). While these publications present and track implementation and operational aspects of the projects and look at issues of effectiveness, relevance and efficiency of operations, they do not apply quantitative analyses or mixed-method approaches to measure impact using causal links between an intervention and outcomes of interest. For that reason, the scope of results falls outside criteria 4 and are not included as primary sources in the SDG 8+ evidence base. Such studies, however, can still be used to complement future systematic reviews where similar target groups and/or policy areas are aligned.

<sup>1</sup> Recent feedback made the valid point that there is value to expanding the search for evaluation studies beyond the Asia-Pacific region. Future expansions of the evidence base are foreseen.

<sup>2</sup> In the 3ie portal, for example (<http://www.3ieimpact.org/en/evidence/impact-evaluations>), there are 696 completed impact evaluations under the “East Asia and Pacific” filter, which includes countries in South-East Asia, and 911 under South Asia. Not all of the 1,607 studies are measuring impact on relevant targets of the SDGs; so far, roughly 100 have been included in this inventory. J-Pal evaluations are available at: <https://www.povertyactionlab.org/evaluations>.

**Table 2.2: Distribution of existing evidence on SDG 8+ targets, by policy area**

SDG 8+ Target	Brief description	Policy area										Indicator	Distance to target exercise (ranking by ILO custodial indicator; 1 is closest, 9 most distant)
		Wages	Training	Entrepreneurship/ Business development	Social protection	Standards and working hours	Sector policies	Gender equality	Labour migration	Local economic and infrastructure	Other areas		
1.2	Working poverty	6	+	3	8	+	+	2	1	+	1.2.1	9	
1.3	Social protection		2		14	2			2		1.3.1		
4.3	Technical training	+	16	+			+	+	1		4.3.1		
4.4	Relevant skills	+	11	2	1		+	+	+		4.4.1		
5.1	End discrimination	+	1	1	+	+		3	+		5.1.1		
5.5	Women leadership										5.5.2	7	
5.c	Policies for gender equality	+			+	+		3	+		5.c.1		
8.1	Economic growth	+	+	+	+	+		+	+		8.1.1		
8.2	Productivity through structural transformation	1	2	5	+	+		2	+	6	8.2.1	4	
8.3	Decent job-rich policies for enterprise development	4	+	3	+	6		1	+	1	8.3.1	5	
8.4	Global resource efficiency	+	+	+		+		+			8.4.1		
8.5	Full, productive employment and decent work	10	13	2	24	8		10	2	2	8.5.1	not available	
8.6	Youth NEET	+	5	+	2			+	1	+	8.5.2	2	
8.7	Forced labour, trafficking, child labour	+	+	+	1	+		+	+	+	8.6.1	6	
8.8	Labour rights, including migrants	4	3	1	4	9		+	+	+	8.7.1	8	
8.9	Sustainable tourism	+	+	+	+	+		+	+	+	8.8.1	1 (not reliable)	
8.10	Financial services		1	1	2			1	1	1	8.8.2	under development	
9.1	Infrastructure		+	1				+	+	2	8.9.2		
											8.10.2		
											9.1.1		

9.2	Industrialization	+	+	+	+	+	+	4	+	+	+	+		9.2.1 9.2.2
9.3	Small enterprise development			1	+	+	1	1	2					9.3.1
10.1	Lessening income inequality	+	+	+	4	+	1	1	+	1				10.1.1
10.3	Equality of opportunities		+	+	1	3	+	+	+					10.3.1
10.4	Policies for improving inequalities	+		1	4	+	+	+	+	+				10.4.1
10.5	Global financial markets				+				+	+				10.5.1
10.7	Safe migration	+	+		+	+	+	2	1					10.7.1
16.6	Transparent institutions	+	+	+	+	+	+	+	+	+				16.6.1
Total		21	57	23	57	30	23	15	10	21	5			under development

Note: Where a number is shown in the table, one or more impact evaluations were collected that show direct evidence of a positive or negative outcome in the policy area. The digit reflects the number of direct outcomes in that area. The “+” implies no direct evidence was found, but a claim of an implicit relationship can be made despite the lack of evidence. Blanks imply no suspected policy-outcome linkage.

Source: ILO collection of evaluations from various sources. For more information on distance to target, see ILO, 2018h.

**Table 2.2** also offers information regarding the results of a “distance to target” exercise that was undertaken to make a general assessment of where the region now stands in terms of the desired 2030 end values of ten SDG indicators that were assigned to ILO custodianship in the Global Indicators Framework.<sup>55</sup> The exercise (detailed in ILO, 2018h) followed a methodology used by the OECD (OECD, 2017b). Given the complexity of the exercise as well as its limitations in application to the regional level when so many country data points are missing, the methodology and detailed assessment of results are not repeated here. Rather, a ranking of results of the distance to target exercise (applied to ILO custodial indicators) is shown in **table 2.2** in the right-most column. For the targets showing a high ranking in the distance-to-target column, countries may want to pay priority attention when it comes to moving toward implementation in their national SDG framework. For the moment, there would seem to be the highest urgency in stepping up progress towards target 1.3, on ensuring social protection for all in the region, which is an extremely important aspect of making sure that growth is made more inclusive.

Indeed, the distance-to-target exercise summarized in the study (ILO, 2018h) concluded that countries in the region are uncomfortably distant from the targets set on extending social protection, eliminating child labour and forced labour, engaging all youth in productive activities (either in education or in employment), supporting the transition from informal to formal economy and reducing gender equality in all occupations. Reducing unemployment is less of a concern to the region, largely because it is already low in most countries, thus pointing more toward the value of improving the quality aspects of employment rather than the employment volume in the region. The region has a long way to go in realizing decent work, which in turns keeps the realization of inclusive growth at bay.

## **2.5 Prioritizing action for accelerating progress towards SDG 8+: The case of wage policy**

The systems approaches highlighted in **table 2.1** are couched in a language of “acceleration”. The various tools propose processes to take a streamlined approach to SDG implementation and aim at helping countries to identify the “catalytic policy and/or programme areas or ‘accelerators’ that can trigger positive multiplier effects across the SDGs and targets” (UNDP, 2017). To get started in identifying elements of decent work as positive catalyst across multiple SDG targets – and hence progress towards decent work-led inclusive growth – a first step was taken to identify areas of interaction (**table 2.2**) and then to populate fields of intervention by those where empirical evidence exists to “prove” the interaction. This section goes into more detail on one specific policy “catalyst”. It argues that wage setting serves as an accelerator of SDG 8+ and sets out a detailed mapping of SDG targets and indicators to demonstrate how and where the multiplier effects occur.

The labour market is an important mechanism through which the economy links to the welfare of households, in a recursive and dynamic process. What happens in the labour markets in the broad sense define household behaviour in the short run but also in the longer run through the influence on intergenerational decision-making. One of the most conspicuous labour market indicators are the wages that workers receive. Wages influence the level of consumption in terms of goods and

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<sup>55</sup> The ILO is the custodian of another four indicators deemed Tier III, which are thus still under development (indicators 8.8.2, 8.b.1, 10.7.1 and 14.c.1; see Annex B).

services within households and consequently link to the poverty headcount, intensity and income distribution, all of which are ultimate targets of SDG 8+.

An increasing number of countries around the world adopt and implement policies that aim to guarantee a level of wages that would be compatible with the needs of workers and families, as well with the requirements of the development strategies pursued. Wage policies are adopted on the understanding that markets are generally insufficient or ineffective in attaining the multiple objectives of protecting the needs of workers while also accounting for economic factors. Wage policies, especially the application of minimum wages, can have important implications in the Asia-Pacific region given the high employment ratios (see section 1.2.1) and continued presence of working poverty in the lower- and middle-income countries of the region (section 1.2.3).

**Table 2.2** provided the mapping of where wage policies link across the SDG targets (SDG 8+) without distinguishing between direct and indirect links. Wage policies were found to link to 21 of the listed 26 SDG 8+ targets and impact evaluations were found that demonstrated the impact of wages on five of the targets (working poverty, productivity, enterprise development, employment creation and labour rights). Wage policies, which are typically determined in a setting of social dialogue and collective bargaining, can thus be claimed as an important catalyst for decent work and inclusive growth. In this exercise, however, the aim is to show that wages can serve as an accelerator of not just SDG 8+ but more broadly across the SDGs. **Table 2.3** and the subsequent discussion are therefore included here as an example of how to develop a discourse on one specific element of the decent work “tool belt” for SDG acceleration.

A distinction is made between SDG targets that are linked to wage policy by a more in-depth categorization of “how” the link occurs. As a way of systematizing the operationalization of wage policies (especially minimum wage) as an accelerator for SDG achievement and advancement, the following categorization was applied for how the SDG target relates to wages:

- **Results:** Targets and indicators whereby wages are a measurement of performance. The result or progress towards the target is based on wage performance; for example, share of wages in GDP (target 10.4, indicator 10.4.1).
- **Input:** Targets and indicators whereby wages are a means to achieving the target. Wages directly influence the performance of the indicator, for example, eradication of extreme poverty (target 1.1, indicator 1.1.1).
- **Contributing:** Targets and indicators that either influence the level of wages or contribute to the direction of wage trends; the result of the indicator is linked to wages through an additional channel or mechanism, for example, school attendance and relevant skills (target 4.4, indicator 4.4.1).
- **Process:** Targets and indicators whereby wages are linked to the indicator in a recursive way; wages are impacted by the evolution of the indicator, such as equal access to technical and tertiary education (target 4.3, indicator 4.3.1).

**Table 2.3** shows the results, with details on the specific SDG indicator that can be used to measure the relationship. The context of where the SDG targets fit to the prescribed elements to be considered in the process of minimum wage setting in a country are identified by column

(according to Article A of ILO the Minimum Wage Fixing Convention, 1970 (No. 131).<sup>56</sup> Using the SDG indicators and the elements listed for consideration of wage fixing in Convention No. 131 helps define a framework of possible interventions that can be adapted at the national and subnational levels, thus constituting a tool for the planning of policy interventions. Note that a target can link to wages (or vice versa) across multiple categories: for example, economic growth (target 8.1) is a “contributing” factor to the level of wages, but also the level of wages and wage growth are an “input” to economic growth. The target and indicator are therefore linked as both “contributing” and “input”.

Given the broad linkages demonstrated in [table 2.3](#), one can argue that national minimum wage policies offer vast potential for scalability as an accelerator of decent work-led inclusive growth. The complexity of the table reflects the complexity of the wage-setting process, but at the same time, also the richness of this tool for accelerating towards the achievement of the SDG. Minimum wages defined at the right level and following the elements required for setting the “right” wage level can push progress across three dimensions considered in the SDGs framework: welfare – leaving no one behind-; equity, with dignity and equal opportunity; and economic development and inclusive growth.

That wages matter in the development discourse is somewhat confirmed by their inclusion as a direct measure in the labour share of GDP under target 10.4 to reduce inequality. Wages are also included as a clear indication of gender equality with the measure of wage gap under target 8.5. Most of the other mapped links fall in the categories of wages as input to progress towards the respective target or wages as a contributing factor to respective target. Most countries in the region have enacted a national, subnational or sector-based minimum wage but only rarely using language in the policy that acknowledges the broader link to the country’s development strategy ([box 13](#)). The information provided in [table 2.3](#) can help to better articulate the mechanism through which wage policy can accelerate progress towards inclusive growth in the language of the SDGs.

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<sup>56</sup> The legal mandate of the ILO in relation to minimum wage policies is embedded in two Conventions: the Minimum Wage Fixing Machinery Convention, 1928 (No. 26) and the Minimum Wage Fixing Convention, 1970 (No. 131), as well as the Minimum Wage Fixing Recommendation, 1970 (No. 135). Article 3 of the Convention No. 131 sets minimum wage levels that take into account the needs of workers and their families, cost of living and its changes, relative incomes and wages of other workers and social groups, social security benefits as well as economic factors, such as requirements of economic development, productivity levels and the desire of attaining high levels of employment.

## Box 13

### Application of the minimum wage as a broader development policy

Asia and the Pacific is the region where the oldest and the newest implementations of minimum wage coexist. In 1894, New Zealand introduced the first minimum wage, and Australia (Victoria State) followed soon after; by 1904 most of Australia was covered by it. Two countries in the region that recently implemented minimum wage regulations, with quite different levels of socioeconomic development – Malaysia and Myanmar – show the multiple objectives that can be pursued by this apparently simple mechanism, according to the structural characteristics of the country.

#### The case of Malaysia

Malaysia, the first ASEAN country to ratify Convention No. 131 in 2016, enacted Act 732 of 2011, to establish the National Wages Consultative Council with the “responsibility to conduct studies on all matters concerning minimum wages and to make recommendations to the Government to make minimum wages orders...” (preamble of the Act 732).

In its 61 articles, the Act defines the functions and powers of the National Wages Consultative Council. An important aspect of the Act and its implementation in Malaysia is the rationale that drove its creation. Act 732 is a result of the Tenth Malaysia Plan, which made explicit the aim to shift to a high-middle-income country in part by raising the living standards of the bottom 40 per cent of income earners. The recent development discourse in Malaysia is based on the idea that inducing a change of the country's productive structure to one of more technological content (with higher value added) will require the payment of higher wages. The reinforcement of Act 732 and increased attention to national wage policy is thus an important outcome of Malaysia's strategy for sustainable, economic and inclusive growth.<sup>1</sup>

#### The case of Myanmar

The case of Myanmar is quite different. In 2013, replacing the old and inactive law of 1949, a new Minimum Wage Law was sanctioned. This law defined one unified rate for the entire country but applicable to enterprises with 15 or fewer workers. The 2015 rate was defined as 3,600 kyat (MMK) per day, or MMK450 per hour. In 2017, an assessment was made that found an important concentration of national wages around the minimum wage level. This is important because it demonstrates that the implementation of a national minimum wage, even if applicable to a relatively small population of formal workers, can draw up wages also for informal workers who are outside the legislation. The minimum wage set in 2015 made a clear price signal in the labour market and thus demonstrated its spillover effects to the dominant informal sectors in the country. In 2017, the minimum wage was raised to MMK3,600, and a similar “lighthouse effect” can be observed.

Myanmar is a transitional economy, which, after years of isolation, has experienced substantial changes in terms of urbanization, opening up to foreign investment, deregulation and technological change. The minimum wage regulations within the labour market, in a country with still widespread working poverty and informal employment (although declining), has an important role in providing information as a price signal to both workers and employers regarding wages. As such, wage policies are accepted as an important input to economic growth but are not yet considered in the context of a broader development strategy, as is the case in Malaysia.

<sup>1</sup> There are currently two minimum wages in Malaysia: one for Peninsular Malaysia and one for East Malaysia (Sabah and Sarawak). The new administration elected in 2018 has expressed a commitment to unifying one minimum wage for the country.

**Table 2.3: SDG targets and indicators linked to wage policy, by category of linkage**

Category of link	Target	Elements of Convention No. 131/ general description	Welfare		Equity		Economic development		
			Needs of workers and their families	Cost of living	Social security benefits	General level of wages	Relative living standards of other groups	Requirements of economic development	Productivity levels
<b>Results</b>	8.5	Full, productive employment and decent work					8.5.1		8.5.1
	10.4	Policies for improving inequalities				10.4.1			
<b>Input</b>	1.1	Poverty (international poverty line)	1.1.1						
	1.2	Poverty (national poverty lines)	1.2.1, 1.2.2						
	1.4	Equal rights to economic resources	1.4.1						
	2.3	Agricultural productivity and incomes of farmers				2.3.2		2.3.2	
	4.1	Access to primary and secondary education	4.1.1	4.1.1					
	5.4	Value unpaid domestic work	5.4.1	5.4.1					
	8.1	Economic growth					8.1.1		
	8.2	Productivity through structural transformation						8.2.1	
	9.2	Industrialization						9.2.1	
	10.1	Lessening income inequality				10.1.1			
	10.2	Inclusion				10.2.1			
	10.7	Facilitate safe migration				10.7.1			10.7.1
	11.1	Housing and basic services	11.1.1	11.1.1					
<b>Contributing</b>	1.3	Social protection systems							
	1.a	Mobilization of resources			1.3.1				
	2.3	Agricultural productivity and incomes of farmers			1.a.2			1.a.2	
	4.4	Relevant skills							4.4.1
	5.1	End discrimination					5.1.1		5.1.1
	8.1	Economic growth							8.1.1

8.5	Full, productive employment and decent work				8.5.2	8.5.2
8.8	Labour rights, including migrants			8.8.1, 8.8.2		
9.2	Industrialization		9.2.2		9.2.2	
11.2	Safe transport	11.2.1				
1.a	Mobilization of resources		1.a.1		1.a.1	
1.b	Pro poor poverty framework				1.b.1	
2.a	Rural infrastructure			2.a.1, 2.a.2	2.a.1, 2.a.2	
2.b	Correct trade restrictions in agriculture			2.b.1	2.b.1	
2.c	Measures in food commodity markets		2.c.1		2.c.1	
4.3	Technical training			4.3.1	4.3.1	
8.3	Decent job-rich policies for enterprise development			8.3.1	8.3.1	
8.6	Youth NEET					8.6.1
9.3	Small enterprise development		9.3.1		9.3.1	

Key for categories of indicator links (full indicator descriptions are in Annex B):

**Results:** Targets and indicators whereby wages are a measurement of performance. The result or progress towards the target is based on wage performance, such as share of wages in GDP (target 10.4, indicator 10.4.1).

**Input:** Targets and indicators whereby wages are a means to achieving the target. Wages directly influence the performance of the indicator, such as eradication of extreme poverty (target 1.1, indicator 1.1.1).

**Contributing:** Targets and indicators that either influence the level of wages or contribute to the direction of wage trends; the result of the indicator is linked to wages through an additional channel or mechanism, such as school attendance and relevant skills (target 4.4, indicator 4.4.1).

**Process:** Targets and indicators whereby wages are linked to the indicator in a recursive way; wages are impacted by the evolution of the indicator, such as equal access to technical and tertiary education (target 4.3, indicator 4.3.1).

## 2.6 Aligning SDGs to the future of work (and vice versa)

The success in the acknowledgement of decent work as a critical driver of inclusive development in the 2030 Agenda has come at a time when the four pillars of the Decent Work Agenda are increasingly under threat by various trends in the world of work. Because the achievement of the SDGs will be directly or indirectly affected by issues relating to the future of work, this section offers a brief sketch of the main themes, their potential impacts and connections to the SDGs.

As a start, the world of work is heavily influenced by the latest wave of **technological advancement** (as it had in past waves). The dynamic processes of adjustment to new technologies result in job destruction and creation as new industries emerge and others shrink over the course of structural transformation. It also leads to the transformation of existing jobs and impacts as well how work is organized. Such changes have critical implications for workers, employers and their families.

Other factors pushing the transformation in the world of work include **globalization**, demographic shifts and climate change. Geographical fragmentation and the expansion of global supply chains have meant that multiple enterprises are involved in the production of goods and services, with work diffused through a network of entities and individuals and blurred lines of responsibility. In addition, regulatory gaps and changes in labour regulations as well as other tax and social policies have also contributed to the growth of non-standard forms of work, including triangular employment relationships, disguised and dependent self-employment and “on-call” work (see section 1.4.4). E-commerce, gig and platform work create opportunities for microbusinesses, putting the worker in the driver seat of where and how they want to earn an income without the constraint of fixed capital. But such opportunities come at the risk of income insecurity. The new forms of workers typically fall outside the realm of international labour standards and national labour laws and are thus vulnerable to poor working standards (hours of work, occupational health and safety) and to a lack of income security.

While new forms of work open up improved economic and social opportunities for those with the relevant skills, they also risk leaving many people impoverished and excluded. Blurring boundaries between work and home life may allow some people to better balance work and family, such as the young mother who chooses to be an Uber driver because it allows her to control her hours and be home when her children return from school. Others may find that the new forms of work, such as platform work, add even greater stress to the work-family balance, given the pressure to be always connected, delivering quickly and constantly on the search for the next gig.

Some **demographic trends** were discussed in section 1.2.3. The region remains diverse in the demographic composition of countries, with more countries still benefiting from large youth cohorts than are struggling with their sharp decline and the ageing of the labour force in general. In countries with large youth populations, like India, the struggle is to keep job creation on pace with the needs of large cohorts of young labour market entrants. The demographic concerns and policy needs of the ageing countries, primarily those in Eastern Asia, are quite different. Here the concern is that ageing labour forces will lead to lower productivity gains, slower growth due to shrinking savings and to increased pressure on public finances as demand for pensions and health care rises (ILO, 2017c). Yet, even among the currently “young” countries, like Cambodia and the Lao People’s Democratic Republic, demographic transitions will happen soon enough and likely in advance of the necessary establishment of effective social security systems. Regardless of the

country, then, ageing remains a common concern across the region, as it is elsewhere, when it comes to the future of work.

Finally, the issue of **climate change** is one that will continue to hit the region hard. The ILO *World Employment and Social Outlook 2018: Greening with Jobs* report (ILO, 2018e) highlights that economic growth in the region remains coupled with greenhouse gas emissions. Environmental degradation is further exacerbated by the high volume of extraction; the region was responsible for 55 per cent of the 84 gigatons of materials extracted globally in 2013 (including freshwater and raw materials). According to the report, between 2008 and 2015, the region lost an annual average of 536 working-life years per 100,000 working-age persons due to human-induced or climate change-related disasters. Heat stress is another concern because rising temperatures impact the health of workers and reduce worker performance.<sup>57</sup>

These megatrends in the future of work – changing employment relationships, technology, globalization, demographic shifts and climate change – could work in either direction to boost progress towards SDG 8+ or push countries further away from reaching their SDG 8+ targets. The trends could either aid or abet the effectiveness of the policy framework to accelerate decent work and sustainable development. At this stage, it is anyone’s guess as to where some of these megatrends will lead us. Predictions of the positive or negative effects of technology on jobs, in particular, are highly diverse.<sup>58</sup>

Given the uncertainty that the future of work will bring, this section does not attempt any finite impact estimations but, instead, maps the megatrends to the SDG target of likely impact ([table 2.4](#)). When it comes time for countries to scale up action in preparedness for the future of work ([box 5](#)), the table can help to inform them on which policy areas to start and can thus articulate the future of work in the language of the SDGs. The colour-coded expected linkage (direct, indirect or neutral) can be overlaid with the policy areas identified in [table 2.2](#).

As an example, to harness the trends linked to globalization towards higher growth in manufacturing employment (target 9.2), an appropriate policy response would be in the area of sectoral policy design and adjustment. To offset the potential impact that the spread of gig work could have on informal employment (target 8.3), countries can adopt alternative mechanisms of social protection (portable benefits, for example) or revise labour legislation to redefine the classification of employers.

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57 Southern Asia could face productivity losses equivalent to 4.8 per cent, corresponding to around 40 million full-time jobs as a result of rising temperatures (ILO, 2018e).

58 One study by the *MIT Technology Review* tracked a total of 20 reports from global experts predicting the impact that automation will have on jobs. Thirteen of the studies come out on the side of more jobs destroyed than created as a result of automation and the remaining seven point to greater job creation. See E. Winick: “Every study we could find on what automation will do to jobs, in one chart”, *MIT Technology Review*, 25 Jan. 2018.

**Table 2.4: Impact matrix of megatrends in the future of work and SDG 8+ targets**

SDG 8+ target	General description	Demographic changes (ageing)	Globalization	Spread of new forms of work	Technological change	Climate change
1.2	Working poverty	Directly linked	Indirectly linked	Indirectly linked	Indirectly linked	Directly linked
1.3	Social protection	Directly linked	Neutral	Directly linked	Indirectly linked	Indirectly linked
4.3	Technical training	Directly linked	Directly linked	Neutral	Directly linked	Neutral
4.4	Relevant skills	Indirectly linked	Indirectly linked	Indirectly linked	Directly linked	Neutral
5.1	End discrimination	Indirectly linked	Indirectly linked	Indirectly linked	Neutral	Neutral
5.5	Women leadership	Indirectly linked	Indirectly linked	Indirectly linked	Neutral	Neutral
5.c	Policies for gender equality	Indirectly linked	Indirectly linked	Indirectly linked	Neutral	Neutral
8.1	Economic growth	Directly linked	Directly linked	Directly linked	Directly linked	Directly linked
8.2	Productivity through structural transformation	Directly linked	Directly linked	Directly linked	Directly linked	Directly linked
8.3	Decent job-rich policies for enterprise development	Directly linked	Indirectly linked	Directly linked	Directly linked	Indirectly linked
8.4	Global resource efficiency	Neutral	Indirectly linked	Neutral	Directly linked	Directly linked
8.5	Full, productive employment and decent work	Directly linked	Directly linked	Directly linked	Directly linked	Directly linked
8.6	Youth NEET	Indirectly linked	Neutral	Indirectly linked	Indirectly linked	Indirectly linked
8.7	Forced labour, trafficking, child labour	Indirectly linked	Directly linked	Neutral	Indirectly linked	Indirectly linked
8.8	Labour rights, including migrants	Indirectly linked	Directly linked	Directly linked	Indirectly linked	Indirectly linked
8.9	Sustainable tourism	Indirectly linked	Neutral	Neutral	Directly linked	Directly linked
8.10	Financial services	Indirectly linked	Neutral	Neutral	Directly linked	Indirectly linked
9.1	Infrastructure	Neutral	Indirectly linked	Indirectly linked	Directly linked	Directly linked
9.2	Industrialization	Indirectly linked	Directly linked	Neutral	Directly linked	Indirectly linked
9.3	Small enterprise development	Neutral	Directly linked	Indirectly linked	Directly linked	Indirectly linked
10.1	Lessening income inequality	Indirectly linked	Directly linked	Directly linked	Directly linked	Directly linked
10.3	Equality of opportunities	Indirectly linked	Indirectly linked	Indirectly linked	Indirectly linked	Neutral
10.4	Policies for improving inequalities	Directly linked	Directly linked	Directly linked	Directly linked	Indirectly linked
10.5	Global financial markets	Indirectly linked	Directly linked	Indirectly linked	Indirectly linked	Indirectly linked
10.7	Safe migration	Directly linked	Indirectly linked	Indirectly linked	Directly linked	Directly linked
16.6	Transparent institutions	Directly linked	Directly linked	Directly linked	Indirectly linked	Indirectly linked

Neutral    Directly linked    Indirectly linked

# 3

## Keeping decent work front and centre in the 2030 Agenda

From the second half of the twentieth century to current times, the Asia-Pacific region has experienced one of the most dramatic socioeconomic transformations of contemporary history. After decades of relative isolation and based on traditional forms of production for self-consumption and restricted local markets, countries in the region joined, at different paces, the international trade markets and followed export-based growth strategies that led to remarkable records of economic growth, which proved to be both pro-employment and pro-poor, although not quite inclusive.

Some countries are just starting out in their respective transformation processes. They are experiencing record high rates of economic growth, which is helping to push down working poverty and vulnerable employment. Nonetheless, decent work deficits remain. Other countries see economic development stalled by their exposure to elements of fragility, whether environmentally or politically based. Others still are further along in the development process, having benefited from an earlier rapid expansion of manufacturing; yet, various elements of decent work deficits prevail and significant gaps remain when compared with labour market outcomes of the region's high-income countries.

With the exception of certain long-standing high-income economies like Japan, the socioeconomic context in the region has rarely been such that the balance of power tilts towards the labour movement. Zhu and Benson (2011), in their study of labour market dynamics in selected Asian economies, noted that changes in labour market structure – primarily towards industrialization and export-based growth – led to reforms in labour market governance, with the primary result being (in general terms) a liberalization of markets, autonomy of enterprises and weakened labour market institutions. The standard employment relationship, with clearly defined and enforced bilateral roles as employer and employee that originated in advanced economies during their years of industrial development (although somewhat weakening in recent times), still struggles to find a foothold in



the emerging and developing countries of the region. As a result, a majority of workers get by without a stable contract or social benefits and have few outlets for organizing to gain a stronger voice.

The continuing distinction between labour market situations across economies that followed vaguely similar export-based growth processes (albeit at varying time frames) point to the influence of national economic models, including attitudes towards social policies and industrial relations.<sup>59</sup> As it stands, the development pathways taken by most countries in the region are not doing enough to overcome decent work deficits.

**Table 3.1** summarizes the various labour market dynamics in the region using a simple typology based primarily on current income levels. Trends were assessed over three periods – 1991–99, 2000–09, 2010–17 – using simple average across time periods and among countries within each category. The results per indicator are shown in **Annex table A10** at the aggregate level. The summary table here presents some of the principal trends, future challenges and policy implications for consideration by countries as they strive to make further progress towards decent work and inclusive growth, hopefully using the SDG framework, and especially SDG 8+.

As the emerging, upper-middle-income economies of the region (China, the Islamic Republic of Iran, Malaysia and Thailand) strive to strengthen their capacities as knowledge economies, 50 per cent of workers on average remain engaged in the services sector, compared with 78 per cent in high-income countries (see groupings in **box 1**). The structural composition of labour is still 28 per cent industry and 22 per cent agriculture, while 37 per cent of workers remain in vulnerable employment, which is triple the share among the region's high-income economies. The informal employment rate in China, the only country among the four upper-middle-income countries with data, is still above 50 per cent, while it is 18 per cent in high-income Japan (**figure 1.21**).

Slightly behind on the industrialization trajectory, the quickly industrializing, lower-middle-income economies that are now seeing growth rates in excess of 6 per cent still have half of their workers in vulnerable employment (an average of 55.2 per cent) and more than one third of workers (an average of 36.3 per cent) in extreme or moderate poverty. Given the longevity of high-growth records in many countries in the region and yet their seeming difficulty in making the jump to high-income status, there is scope for pointing to the historical emphasis on pro-business economic policy and comparative lack of attention to social welfare policies and labour market governance as part of the problem. In this regard, SDG 8 – and more specifically SDG 8+ as defined in section 2.3 – offers a platform for refocusing economic growth towards decent work-led and inclusive growth.

For the high-income countries in the region and some of the larger middle-income countries, such as China, India and Indonesia, which are now experiencing an increasing disconnect between growth and inclusiveness (measured in expanding income inequality), the mechanisms for overcoming inequality are also to be found in SDG 8+.<sup>60</sup> Improving the quality of work, in part

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<sup>59</sup> Holliday (2000) discussed the Eastern Asian approach to “productivist welfare capitalism”, which keeps social policy subordinate to economic policy and put minimal or limited attention on social rights. Numerous countries in South-Eastern Asia could also be said to follow this approach, with limited social policy development resulting.

<sup>60</sup> There is general agreement among development practitioners that, as a bare minimum, inclusive growth can be achieved if poverty is reduced and the share of the bottom deciles of the population increase their participation in the overall income – or expenditure – distribution. Such is the case among most of the countries in the region currently classified as lower-middle income. Most of these countries have increased the bottom 40 per cent at the expense of the top 10 per cent of the distributional structure (where both the Gini index and Palma ratio decrease). But with the increasing complexity of economies, where middle classes develop in domestic activities and domestic consumption-led growth starts to accompany, if not supersede, export-led growth, the inclusion of the bottom 40 per cent can occur without reducing the share of the higher-income groups.

through strengthened labour market institutions and social dialogue, will help offset the disconnect and push countries towards progress on all aspects of SDG 8+ – not just economic growth but also inclusive growth and decent work and productive employment for all.

**Table 3.1: Summary tables: Labour market dynamics, future challenges and policy implications, by income grouping**

High-income countries of the Asia-Pacific region <sup>1</sup>	
Labour market outlook <sup>2</sup>	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>• Employment shares increasing</li> <li>• Unemployment rates decreasing</li> <li>• Industrial shares decreased slightly but holding steady, at about one fifth of workforces</li> <li>• Although already low, at about 10 per cent, vulnerable employment decreasing further over the periods, while working poverty remains negligible</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>• Growth rates positive but low for the region, and decreasing from the middle period</li> <li>• Inequality increasing (non-inclusive growth)</li> </ul>
Future challenges	<ul style="list-style-type: none"> <li>• Ageing populations pose a threat to national productivity and place a strain on social protection systems.</li> <li>• Inequality is likely to pose a threat to increased economic growth and also social stability.</li> <li>• Spread of new forms of work, gig and platform work can stress workers due to lack of security and social protection.</li> <li>• Global trade protection measures threaten growth in the industrial sector.</li> <li>• Climate change and increased climate-linked natural disasters.</li> </ul>
Policy implications	<ol style="list-style-type: none"> <li>1. Especially as new forms of work seem to be a trend that is not going away, countries will need to explore <b>innovative approaches to ensuring universal social protection</b>, including for gig and other temporary workers. Social partners also have a role in encompassing non-standard workers. Mechanisms of collective bargaining are proving to be effective (Johnston and Land-Kazlauskas, 2018).</li> <li>2. Ageing societies and undersupply of low- (and even medium-) skilled workers will mean these countries' openness to <b>labour migration</b> will be tested, especially in the sector of older care (see also <b>box 3</b>). Investments in technology as an approach to gain productivity in health care can help, but other options will be accepting migrants and raising wages in the care sector to increase the attractiveness to labour market entrants.</li> <li>3. To maximize the labour potential of these countries in the face of ageing populations, the urgency is growing for improving efforts to <b>promote gender equality</b> in the workplace and for ensuring equal access, pay and maternity protection to prevent a female inactivity trap.</li> <li>4. Fiscal policies can serve as effective mechanisms to confront rising inequality, in particular progressive taxes on personal income, property and wealth can help prevent an excessive concentration of wealth at the top quintiles.</li> <li>5. Efforts to <b>promote youth employment</b> need to continue, including outreach programmes targeting youth NEET (numerous policy mechanisms are outlined in ILO, 2017b).</li> <li>6. A <b>just transition</b> towards environmental sustainability must be promoted; ILO guidelines for a just transition (ILO, 2015b) can help.</li> </ol>

<sup>1</sup> The composition of income groupings can be found in **box 1**.

<sup>2</sup> Trends were assessed across the three periods – 1991–99, 2000–09, 2010–17. See country level data on the indicators mentioned in **Annex table A10**.

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## Newly industrialized countries, upper-middle income of the Asia-Pacific region<sup>1</sup>

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<b>Labour market outlook<sup>2</sup></b>	<p><b>Positive</b></p> <ul style="list-style-type: none"><li>• Employment shares decreasing slightly</li><li>• Unemployment rate static, at around 5 per cent</li><li>• Industrial employment share holding steady, at around 28 per cent, while services sector expanding to around 50 per cent</li><li>• Vulnerable employment decreasing, to 37 per cent in latest period</li><li>• Working poverty (extreme+moderate) now below 5 per cent</li></ul> <p><b>Negative</b></p> <ul style="list-style-type: none"><li>• Employment in services growing but still distant from shares in high-income countries; not yet ready for knowledge economy status<sup>3</sup></li><li>• Continuing high growth rates, but signals of slowing from earlier periods</li><li>• Inequality increasing (non-inclusive growth)</li><li>• Still more than 20 percentage points over high income group in vulnerable employment</li></ul>
<b>Future challenges</b>	<ul style="list-style-type: none"><li>• Ageing populations pose a threat to national productivity and place a strain on social protection systems.</li><li>• Inequality is likely to pose a threat to increased economic growth and also social stability.</li><li>• Spread of new forms of work, gig and platform work can stress workers due to lack of security and social protection.</li><li>• Global trade protection measures threaten growth in the industrial sector.</li><li>• Climate change and increased climate-linked natural disasters. With social welfare policies and programmes still in their infancy, populations remain vulnerable to economic shocks, and issues like increased trade barriers and automation could push some workers back over the poverty threshold, especially because their household debt has increased with widespread consumerism.</li></ul>
<b>Policy implications</b>	<ol style="list-style-type: none"><li>1. Governments in these countries tend to take a flexible, “pro-business” approach to labour market interventions. Further progress on eliminating decent work deficits and to encourage the jump to high income status will require a more assertive push to <b>strengthen labour market institutions</b>, including through ratification and enforcement of core labour standards.</li><li>2. As investments in the education system (although still not sufficient) start to bring returns, national labour market entrants turn towards medium- to high-skill jobs, leaving a gap in the supply of low-skilled workers that tends to be filled by migrant workers. As primarily migrant-worker destinations, these countries need <b>policies for fair migration</b> are needed to protect migrant workers because they provide much-needed labour.</li><li>3. <b>Minimum wage policies</b> help to protect workers at the bottom of the lowest pay levels - those most vulnerable to working poverty; including migrant workers in minimum wage coverage will be important.</li><li>4. <b>Investments in social protection</b> need to scale up, including protection of gig and other temporary workers (see implication, high-income grouping).</li><li>5. While overall unemployment rates are low, youth rates are likely to be higher, especially as education rates increase; governments thus need to scale up investments in <b>active labour market policies</b> to assist the school to work transition.</li><li>6. <b>Industrial relations and social dialogue</b>, which continue to be weak in these countries, need to be reinforced.</li><li>7. Investment in the education systems and skills development will need to be geared towards improving access and quality, as countries strive to move into higher tech industries and services.</li><li>8. Fiscal policies, likely to be underdeveloped or underenforced in these countries, can be improved as useful mechanisms for countering rising inequality.</li><li>9. Even though economic growth does not in itself reduce informality, emphasis on policies to support the transition from informal to formal economy need to increased, including with a mechanism to support the continued growth of small and medium-sized enterprises.<sup>4</sup></li><li>10. Realizing the potential of regional integration within the ASEAN Economic Community, for example, can ensure future economic gains and shared prosperity if well managed (ILO and ADB, 2014).</li></ol>

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<sup>1</sup> The composition of income groupings can be found in box 1.

<sup>2</sup> Trends were assessed across the three periods – 1991–99, 2000–09, 2010–17. See country level data on the indicators mentioned in Annex table A10.

<sup>3</sup> Galli (2017) summarized the literature of economic thought on where service sector growth aligns with the structural transformation process.

<sup>4</sup> The ILO continues to develop tools to support an integrated policy framework to support the institutionalization of Recommendation No. 204 concerning the transition from informal to formal economy. See <https://www.ilo.org/global/topics/employment-promotion/informal-economy/lang--en/index.htm>.

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## Newly industrialized countries, lower-middle income of the Asia-Pacific region<sup>1</sup>

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<b>Labour market outlook<sup>2</sup></b>	<p><b>Positive</b></p> <ul style="list-style-type: none"><li>• High growth</li><li>• Pro-poor growth</li><li>• Low and decreasing unemployment, near full employment</li><li>• Large jump in industrial employment (on par with high-income economies, at around 20 per cent)</li><li>• Decent work increasing; vulnerable employment and working poverty showed impressive decreases</li><li>• Inequality declining as income levels of bottom 40 per cent grow faster than top 10 per cent</li></ul> <p><b>Negative</b></p> <ul style="list-style-type: none"><li>• Employment in services growing but still distant from the shares in high-income countries; not yet ready for knowledge economy status<sup>3</sup></li><li>• Still more than half of workers are in vulnerable employment (55 per cent)</li><li>• Still more than a third of workers in extreme or moderate working poverty (36 per cent)</li></ul>
<b>Future challenges</b>	<ul style="list-style-type: none"><li>• The “near” working poor are likely to maintain a precarious position above the poverty threshold, especially as household debt for consumption purposes is on the rise.<sup>4</sup></li><li>• Although not measurable, the informal sector remains large and rural poverty continues to be a challenge.</li><li>• Growth and jobs in the industrial sector are threatened by global trade protection measures and are vulnerable to volatile global demand.</li><li>• Because these are primarily labour-sending countries, closing borders or increasing regulations to cross-border migration can restrict an important avenue of revenue streams for large portions of the (primarily low-skilled) population.</li><li>• Jobs in the industrial sector are at risk due to forecasted increased automation that could replace some routine tasks.<sup>5</sup></li><li>• Spread of new forms of work, gig and platform work can stress workers due to lack of security and social protection.</li><li>• Climate change and increased climate-linked natural disasters.</li></ul>
<b>Policy implications</b>	<ol style="list-style-type: none"><li>1. All policy implications of the upper middle-income countries are relevant here (and are thus not repeated), but it is important to acknowledge that the fiscal space in these countries is constrained and therefore even more difficult to gear towards strengthening labour market institutions. Donor funding can be used for this purpose, but with limitations on national ownership and sustainability.</li><li>2. Acknowledging the limited institutional strength in many of these countries, governments will want to find ways of <b>stimulating domestic and international private investment into the high-growth sectors</b> that move the economy further along its pathway of structural change and inclusive growth. Galli (2017) outlines various mechanisms of investment incentives, including those which have proved successful in several NICs in the region.</li><li>3. As foreign investment in the industrial sector expands, enterprises will be called upon to <b>ensure the well-being of workers in the manufacturing sector</b>, especially when labour provisions are included in trade agreements. The Better Work programme is an important presence in several of these countries (Bangladesh, Cambodia, Viet Nam and also Indonesia among the lower income countries), building national capacity toward improvements in working conditions in the garment industry without compromising competitiveness.<sup>6</sup></li><li>4. <b>Infrastructure development</b> remains a top priority; countries can choose to take an employment-intensive investment approach that emphasizes mobilization of local resources in the process to boost job creation and local development throughout the process.<sup>7</sup></li><li>5. <b>Invest in migrant worker resource centres</b> as a mechanism to prevent abuses; the centres offer information to prospective labour migrants on their rights and support services in destination countries, and offer legal counselling and referral support.</li><li>6. Continued emphasis on <b>rural development</b> with investments in infrastructure, including spread of ICT.</li><li>7. Promote a <b>just transition</b> towards environmental sustainability, including promotion of green jobs; ILO guidelines for a just transition (ILO, 2015b) can help.</li></ol>

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<sup>1</sup> The composition of income groupings can be found in box 1.

<sup>2</sup> Trends were assessed across the three periods – 1991–99, 2000–09, 2010–17. See country level data on the indicators mentioned in Annex table A10.

<sup>3</sup> Galli (2017) summarized the literature of economic thought on where service sector growth aligns with the structural transformation process.

<sup>4</sup> ESCAP (2018) called the segment of the non-poor population that remains vulnerable to falling back into poverty the “transitional class” as a currently transitional segment of the emerging middle class.

<sup>5</sup> There are many differences of opinion regarding technology and automation as a boost or threat to jobs; see further elaboration on the topic in section 2.6.

<sup>6</sup> Better Work is a partnership between the ILO and the International Finance Corporation, a member of the World Bank Group. See <http://betterwork.org>.

<sup>7</sup> Local infrastructure and public works can also be designed with climate adaptation and resilience in mind. See ILO, 2011.

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## Low income (mixed) countries of the Asia-Pacific region<sup>1</sup>

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Labour market outlook <sup>2</sup>	<p><b>Positive</b></p> <ul style="list-style-type: none"><li>• Growth rates are very high but volatile and declining from middle period</li><li>• Employment rates decreasing from high levels, reflecting a decline in working poverty</li><li>• Unemployment rates low and declining, near full employment</li><li>• Decent work increasing but still with dominant vulnerable employment and working poverty</li><li>• Inequality declining as income levels of bottom 40 per cent grow faster than top 10 per cent</li></ul> <p><b>Negative</b></p> <ul style="list-style-type: none"><li>• Industrial employment share very low for the region at around 9 per cent and employment in services still low at 31 per cent (but increasing)</li><li>• Still nearly 3 in 4 workers in vulnerable employment and 2 in 3 in extreme or moderate working poverty</li></ul>
Future challenges	<ul style="list-style-type: none"><li>• Insufficient job creation.</li><li>• Political stability limits investment.</li><li>• Global trade protection measures threaten growth in the industrial sector, just as it starts to develop.</li><li>• Climate change and increased climate-linked natural disasters.</li></ul>
Policy implications	<ol style="list-style-type: none"><li>1. With volatile growth and dominant agriculture sectors, these economies need to retain strong emphasis on finding the <b>right mix of pro-employment macroeconomic policies</b> that aim to stimulate domestic and international private investment with rural development programmes, including infrastructure development, and place strong emphasis on <b>social policies and programmes</b> to reach the most vulnerable households.</li><li>2. See also policy implications of the lower middle-income grouping.</li></ol>

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<sup>1</sup> The “low income, mixed” grouping consists of the agricultural-based economies of Afghanistan, the Lao People’s Democratic Republic and Nepal, and Timor-Leste, where the economy is still adjusting from the crisis period with a large public sector.

<sup>2</sup> Trends were assessed across the three periods – 1991–99, 2000–09, 2010–17. See country level data on the indicators mentioned in Annex table A10.

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## Small island countries of the Asia-Pacific region<sup>1</sup>

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Labour market outlook <sup>2</sup>	<p><b>Positive</b></p> <ul style="list-style-type: none"><li>• Employment in services increasing quickly to around one half of total</li><li>• Decent work increasing; vulnerable employment and working poverty decreasing but still high</li></ul> <p><b>Negative</b></p> <ul style="list-style-type: none"><li>• Growth rates low for the region but increasing in latter period</li><li>• Employment rates declining and low for the region</li><li>• Unemployment rates increasing (although not so high)</li><li>• Share of employment in industry low, at around 15 per cent; a strong agriculture base</li><li>• More than half of workers are in vulnerable employment and about 30 per cent of them are in extreme or moderate working poverty</li><li>• Inequality increasing (non-inclusive growth)</li></ul>
Future challenges	<ul style="list-style-type: none"><li>• Insufficient job creation in the formal, non-agriculture sector.</li><li>• Political stability limits investment.</li><li>• (As primarily labour sending countries) closing borders or increasing regulations to cross-border migration can restrict an important avenue of revenue streams for large portions of the (primarily low-skilled) population.</li><li>• Global trade protection measures threaten growth in the industrial sector, just as it starts to develop.</li></ul>
Policy implications	<ol style="list-style-type: none"><li>1. Some small island developing states are increasingly dependent on employment aligned to global supply chains, making national economies especially vulnerable to disruptions. In certain cases, large-scale <b>re-training programmes for redundant workers</b> has proven to be an effective mechanism to offset rising unemployment.</li><li>2. The capacity of the private sector must be strengthened because it is a critical actor of <b>employment recovery in disaster zones</b> (see Chang and Rynhart, 2016).</li><li>3. See also policy implications of the lower middle-income grouping.</li></ol>

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<sup>1</sup> The “small island country” grouping is a bit of a mix in terms of income levels, although most are upper middle-income countries. The grouping includes Fiji, Maldives, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu as island countries with sufficient data.

<sup>2</sup> Trends were assessed across the three periods – 1991–99, 2000–09, 2010–17. See country level data on the indicators mentioned in Annex table A10.

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# Annex A. Key labour market indicators in Asia and the Pacific: Additional country-level tables

**Table A1: Gross domestic product, constant prices, 2010–19 (%)**

Country/economy/grouping	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
World	5.4	4.3	3.5	3.5	3.6	3.5	3.2	3.8	3.9	3.9
<i>Emerging and developing Asia</i>	9.6	7.9	7.0	6.9	6.8	6.8	6.5	6.5	6.5	6.6
Bangladesh	6.0	6.5	6.3	6.0	6.3	6.8	7.2	7.1	7.0	7.0
Brunei Darussalam	2.7	3.7	0.9	-2.1	-2.5	-0.4	-2.5	0.5	1.0	8.0
Cambodia	6.0	7.2	7.3	7.4	7.1	7.2	7.0	6.9	6.9	6.8
China	10.6	9.5	7.9	7.8	7.3	6.9	6.7	6.9	6.6	6.4
Fiji	3.0	2.7	1.4	4.7	5.6	3.8	0.4	3.8	3.5	3.4
India	10.3	6.6	5.5	6.4	7.4	8.2	7.1	6.7	7.4	7.8
Indonesia	6.4	6.2	6.0	5.6	5.0	4.9	5.0	5.1	5.3	5.5
Kiribati	-0.9	1.6	4.7	4.3	-0.6	10.3	1.1	3.1	2.3	2.4
Lao PDR	8.0	8.0	7.8	8.0	7.6	7.3	7.0	6.8	6.8	7.0
Malaysia	7.5	5.3	5.5	4.7	6.0	5.0	4.2	5.9	5.3	5.0
Maldives	7.1	8.4	2.3	7.1	7.6	2.2	4.5	4.8	5.0	5.0
Marshall Islands	1.2	3.5	2.9	-0.8	-0.4	1.9	2.0	1.9	1.8	1.7
Mongolia	7.3	17.3	12.3	11.6	7.9	2.4	1.2	5.1	5.0	6.3
Myanmar	5.3	5.6	7.3	8.4	8.0	7.0	5.9	6.7	6.9	7.0
Nauru	13.6	11.7	10.1	34.2	36.5	2.8	10.4	4.0	-3.0	0.0
Nepal	4.8	3.4	4.8	4.1	6.0	3.3	0.4	7.5	5.0	4.0
Palau	3.0	5.1	3.9	-2.1	5.4	11.4	0.5	-1.0	1.0	4.0
Papua New Guinea	10.1	1.1	4.6	3.8	12.5	8.0	2.4	2.5	2.9	2.6
Philippines	7.6	3.7	6.7	7.1	6.1	6.1	6.9	6.7	6.7	6.8
Samoa	-2.0	5.6	0.4	-1.9	1.2	1.6	7.1	2.4	2.5	2.8
Solomon Islands	6.8	13.2	4.6	3.0	2.3	2.5	3.5	3.2	3.0	2.9
Sri Lanka	8.0	8.4	9.1	3.4	5.0	5.0	4.5	3.1	4.0	4.5
Thailand	7.5	0.8	7.2	2.7	1.0	3.0	3.3	3.9	3.9	3.8
Timor-Leste	8.5	7.7	5.5	2.5	4.1	4.0	5.3	-0.5	2.8	5.7
Tonga	3.2	1.8	-1.1	-0.6	2.9	3.5	3.1	3.1	3.2	2.9
Tuvalu	-3.1	7.9	-3.8	4.6	1.3	9.1	3.0	3.2	3.5	3.1
Vanuatu	1.6	1.2	1.8	2.0	2.3	0.2	3.5	4.2	3.8	3.5
Viet Nam	6.4	6.2	5.2	5.4	6.0	6.7	6.2	6.8	6.6	6.5
<i>Advanced economies of Asia</i>										
Australia	2.4	2.7	3.9	2.2	2.6	2.5	2.6	2.3	3.0	3.1
Hong Kong, China	6.8	4.8	1.7	3.1	2.8	2.4	2.1	3.8	3.6	3.2
Japan	4.2	-0.1	1.5	2.0	0.4	1.4	0.9	1.7	1.2	0.9
Korea, Rep. of	6.5	3.7	2.3	2.9	3.3	2.8	2.8	3.1	3.0	2.9
Macao, China	25.3	21.7	9.2	11.2	-1.2	-21.6	-0.9	9.3	7.0	6.1
New Zealand	2.0	1.9	2.5	2.2	3.2	4.2	4.2	3.0	2.9	2.9
Singapore	15.2	6.4	4.1	5.1	3.9	2.2	2.4	3.6	2.9	2.7
Taiwan, China	10.6	3.8	2.1	2.2	4.0	0.8	1.4	2.8	1.9	2.0

Source: IMF: World Economic Outlook Database (accessed Apr. 2018).

**Table A2-1: Labour force participation rate, total (%)**

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
Eastern Asia	Hong Kong, China	60.7	61.0	59.6	61.2	61.1	61.1	61.1	61.1		
	Japan	62.4	60.4	59.6	59.3	59.4	59.6	60.0	60.5		
	Korea, Rep. of	61.2	62.0	61.0	61.5	62.4	62.6	62.8	63.0		
	Macau, China	65.2	63.4	71.5	72.7	73.8	73.7	72.3	70.8		
	Mongolia		60.1	59.4	59.5	60.1	59.8	58.7	59.6	2003	ILO
	Mongolia	62.9	63.5	61.6	61.9	62.1	61.5	60.5	61.1		National
	Taiwan, China	57.7	57.8	58.1	58.4	58.5	58.7	58.7	58.8		
South- Eastern Asia	Brunei Darussalam					65.6			62.7		
	Cambodia		82.2	87.0	83.0	82.6	82.7			2004	
	Indonesia	67.8	64.4	66.6	66.8	66.6	66.6	66.3	67.0		ILO
	Indonesia	67.8	68.0	67.7	66.8	66.6	65.8	66.3	66.7		National
	Lao PDR			78.2					40.9		b
	Malaysia	65.1	63.3	63.0	67.3	67.7	67.9	67.7	68.0		
	Myanmar						64.7		61.2		
	Philippines	64.3	61.6	61.4	61.5	62.2		61.5	59.1		ILO
	Philippines			64.1	63.9	64.6	63.7	63.5	61.2		National
	Singapore	49.3	63.0	66.2	66.7	67.0	68.3	68.0	67.7		
	Thailand	72.7	73.7	71.6	71.1	69.8	69.2	68.3			ILO
	Thailand			72.3	71.6	70.3	69.8	68.8	68.1		National
	Timor-Leste			41.5	30.6						b
Viet Nam	72.3		76.2	77.0	77.0	77.2	76.6	76.1		ILO	
Viet Nam			77.4	77.5	77.7	77.8	77.0	76.7		National	
Pacific islands	Australia	63.1	64.4	65.4	64.9	64.7	65.0	64.9	65.2		
	Cook Islands	69.0	70.2	71.0						2001, 2006, 2011	
	Fiji		56.7	57.0		58.9		57.6	57.1		b
	Kiribati	80.8									
	Marshall Islands		44.8	41.3						2006, 2011	
	New Zealand	65.2	67.7	67.7	67.8	68.7	68.7	69.8	70.7		
	Palau	55.5	67.5								
	Papua New Guinea			48.3							
	Samoa				32.2	33.3				2012	
	Solomon Islands			62.9						2009	
	Tonga		40.3							2003	
Tuvalu		58.2									
Vanuatu			56.0								
Southern Asia	Afghanistan			63.3	47.0					2008, 2012	
	Bangladesh	72.1	58.5	58.6	57.2			56.1	58.3		
	India	57.2	58.2	53.5	51.6					2012	
	Iran, Islamic Rep. of		46.7	42.1	37.6	40.7	41.8	43.2	42.1		

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
Southern Asia	Maldives			52.2				57.6			
	Nepal			82.9						2008	
	Pakistan	50.4	50.7	51.0	51.5	51.0	52.0				
	Sri Lanka	55.6	54.3	53.4	53.8	53.3	53.8	53.8	54.1		

Note: Age group 15 and older. Type of survey details are available on ILOSTAT; most data come from national Labour Force Surveys. For the countries showing two estimates, the national definition of unemployment varies from the international standard as defined by the International Conference of Labour Statisticians (see ILO, 2013a). In most cases showing a national and ILO estimate, the official national rate excludes from the definition of unemployment one of the following criteria: being available for work or actively seeking a job. As the unemployed are a component of the labour force, the labour force participation rates between the national and ILO-produced estimates vary as well. b = Break in series.

Source: ILOSTAT, Labour force participation rate by sex and age -- ILO modelled estimates, July 2017 (accessed May 2018) and official national sources (where two estimates are shown).

**Table A2-2: Labour force participation rate, male (%)**

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
Eastern Asia	Hong Kong, China	73.2	71.1	68.5	69.2	68.8	68.8	68.6	68.3		
	Japan	76.4	73.3	71.6	70.5	70.4	70.3	70.4	70.5		
	Korea, Rep. of	74.4	74.6	73.0	73.2	74.0	73.8	73.9	73.9		
	Macau, China	74.9	70.8	77.6	78.4	79.8	79.6	77.8	76.0		
	Mongolia		64.4	64.8	65.5	66.2	66.1	65.0	65.6	2003	ILO
	Mongolia	64.8	64.8	67.2	68.1	68.6	68.1	67.3	67.5		National
	Taiwan, China	69.4	67.6	66.5	66.7	66.8	66.9	67.1	67.1		
South- Eastern Asia	Brunei Darussalam					72.5			68.9		
	Cambodia			90.0	88.7	87.9	88.5				
	Indonesia	84.2	82.7	82.3	82.9	82.7	82.5	81.8	81.8		ILO
	Indonesia	84.2	85.6	83.8	83.6						National
	Lao PDR			79.8					45.3		b
	Malaysia	81.7	80.0	77.7	81.0	80.6	80.7	80.2			
	Myanmar						80.2		77.3		
	Philippines	80.4	75.9	75.0	74.7	75.4		75.1	73.3		ILO
	Philippines			78.5	78.1	78.6	77.3	77.6	76.2		National
	Singapore	57.7	74.4	76.5	75.8	75.9	76.7	76.2	76.0		
	Thailand	80.6	81.5	80.0	79.9	78.7	77.9	76.9			ILO
	Thailand			80.7	80.4	79.3	78.6	77.6	76.9		National
	Timor-Leste			56.0	39.6						b
Viet Nam	76.1		81.1	81.6	81.7	82.2	81.5	81.1		ILO	
Viet Nam			82.0	82.1	82.5	83.0	82.1	81.8		National	
Pacific islands	Australia	72.1	72.1	72.4	71.4	71.0	71.1	70.6	70.7		
	Cook Islands	76.4	76.1	76.6						2001, 2006, 2011	
	Fiji		78.0			75.9		77.0	76.4		b
	Kiribati	86.0									
	Marshall Islands			53.3						2011	

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
	New Zealand	73.6	75.0	74.1	73.5	74.3	74.3	75.3	76.2		
	Palau	62.1	75.4								
	Papua New Guinea			49.0							
	Samoa				39.9	39.9				2012	
	Solomon Islands			63.5						2009	
	Tonga		46.3							2003	
	Tuvalu		69.6								
	Vanuatu			61.0							
Southern Asia	Afghanistan			82.0	77.1					2008, 2012	
	Bangladesh	87.2	86.8	81.6	81.8			79.4	80.7		
	India	82.8	83.1	79.9	79.1					2012	
	Iran, Islamic Rep. of		73.8	68.8	63.0	68.6	69.4	70.4	68.8		
	Maldives			68.2				75.1			
	Nepal			87.1						2008	
	Pakistan	83.2	82.7	78.8	79.3	78.7	79.7			2004	
	Sri Lanka	75.7	75.8	75.0	74.9	74.6	74.7	75.1			

Note: See table A2-1.

**Table A2-3: Labour force participation rate, female (%)**

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
Eastern Asia	Hong Kong, China	49.1	51.9	51.9	54.5	54.6	54.7	54.8	55.1		
	Japan	49.3	48.4	48.5	48.9	49.2	49.6	50.3	51.1		
	Korea, Rep. of	48.8	50.1	49.5	50.2	51.3	51.8	52.1	52.6		
	Macau, China	56.7	56.8	66.0	67.6	68.1	68.1	67.3	66.3		
	Mongolia		56.0	54.3	54.0	54.5	54.0	52.9	54.0	2003	
	Mongolia	61.0	62.2	56.2	56.3	56.2	55.4	54.2	55.2		
	Taiwan, China	46.0	48.1	49.9	50.5	50.6	50.7	50.8	50.9		
South- Eastern Asia	Brunei Darussalam					58.4			56.5		
	Cambodia			84.2	77.8	77.5	77.2				
	Indonesia	51.7	45.9	51.0	50.7	50.6	50.8	50.9	52.2		ILO
	Indonesia	51.7	50.7	51.8	50.3						National
	Lao PDR			76.7					36.6		b
	Malaysia	47.6	45.9	47.1	52.6	53.7	54.1	54.3			ILO
	Myanmar						51.6		47.7		
	Philippines	48.4	47.3	48.0	48.3	49.0		48.0	44.9		ILO
	Philippines			49.7	49.9	50.7	50.1	49.3	46.2		National

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
South- Eastern Asia	Singapore	40.6	52.0	56.5	58.1	58.6	60.4	60.4	59.8		
	Thailand	64.9	66.3	63.7	62.7	61.5	61.1	60.2			ILO
	Thailand			64.3	63.2	62.0	61.5	60.6	59.8		National
	Timor-Leste			26.8	21.3						b
	Viet Nam	68.8		71.6	72.6	72.7	72.5	72.0	71.5		ILO
	Viet Nam			73.0	73.2	73.3	72.9	72.3	71.8		National
Pacific islands	Australia	54.5	57.0	58.6	58.7	58.7	59.1	59.4	59.8		
	Cook Islands	61.4	64.2	65.4						2001, 2006, 2011	
	Fiji		34.8			41.3		38.6	37.4		b
	Kiribati	76.0									
	Marshall Islands			29.0						2011	
	New Zealand	57.4	60.8	61.6	62.5	63.4	63.4	64.5	65.4		
	Palau	49.0	58.1								
	Papua New Guinea			47.7							
	Samoa				24.4	24.4					2012
	Solomon Islands			62.2							2009
	Tonga		34.2								2003
	Tuvalu		47.9								
Vanuatu			51.0								
Southern Asia	Afghanistan			43.8	16.0					2008, 2012	
	Bangladesh	55.9	29.2	35.5	33.6			33.2	36.3		
	India	30.7	32.6	26.2	23.4					2012	
	Iran, Islamic Rep. of		19.2	15.3	12.4	13.1	14.4	16.3	15.3		
	Maldives			38.2				42.2			
	Nepal			79.3							2008
	Pakistan	16.3	18.0	22.1	22.9	23.2	24.2				2004
	Sri Lanka	36.5	34.6	22.8	35.6	34.7	36.0	35.9			

Note: See table A2-1.

**Table A3-1: Employment-to-population ratio, total (%)**

Region	Country/economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non-standard
Eastern Asia	Hong Kong, China	57.5	57.5	57.0	59.1	59.0	59.1	59.0		
	Japan	59.5	57.8	56.6	56.9	57.3	57.6	58.1	58.8	
	Korea, Rep. of	58.5	59.7	58.7	59.6	60.2	60.3	60.4	60.7	
	Macau, China			69.5	71.3	72.6	72.4	70.9		
Eastern Asia	Mongolia		56.0	55.5	57.0	57.2	56.9	54.5	55.8	2003
	Taiwan, China	56.0	55.4	55.1	56.0	56.2	56.4	56.4	56.6	
South-Eastern Asia	Brunei Darussalam					61.1			56.9	
	Cambodia		80.4	86.7	82.8	82.4	82.6			2004
	Indonesia	63.6	59.3	62.8	63.9	63.9	63.6	63.5	64.2	
	Lao PDR			77.7					36.9	b
	Malaysia	63.1	61.0	60.9	65.2	65.7	65.8	65.4	65.6	
	Myanmar						64.2		60.3	
	Philippines	57.1	59.3	59.2	59.3	59.9		59.9	57.6	
	Singapore	66.4		63.5	64.1	64.5	65.8	65.3	64.9	
	Thailand	71.0	72.6	71.2	70.7	69.4	68.8	67.8		
	Timor-Leste			40.2	27.3					b
	Viet Nam	70.7		75.3	76.0	76.1	75.8	75.1	74.7	
Pacific islands	Australia	59.2	61.2	62.0	61.3	60.8	61.1	61.2	61.5	
	Cook Islands		64.0	65.2						2006, 2011
	Fiji		54.5	52.0		55.3		55.1		
	Kiribati	18.3	22.5	41.1						
	Marshall Islands			39.3						2011
	New Zealand	61.2	65.1	63.5	63.9	65.0	65.0	66.2	67.4	
	Palau	53.7								
	Papua New Guinea			47.4						
	Samoa				29.4	30.4				2012
	Solomon Islands			61.4						2009
	Tonga		38.2							2003
	Tuvalu	53.3	61.3							2002, 2004
	Vanuatu			66.0						2009
Southern Asia	Afghanistan			61.7	46.2					2008, 2012
	Bangladesh	69.7	56.0	56.6	54.7			56.1	55.8	
	India	55.6	56.4	52.2	50.2					2012
	Iran, Islamic Rep. of		43.8	36.4		36.4	37.1	37.8	38.9	
	Maldives			46.0				54.1		
	Nepal			81.8						2008
	Pakistan	48.9	49.5	50.7	49.9	50.1	50.2			2004
	Sri Lanka	52.5	44.6	50.8	51.5	51.0	51.3	51.5	51.8	

Note: Age group 15 and older. Type of survey information is available at ILOSTAT. b = Break in series.

Source: ILOSTAT, Employment-to-population ratio by sex and age -- ILO modelled estimates, May 2018 (accessed May 2018).

**Table A3-2: Employment-to-population ratio, male (%)**

Region	Country/economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non-standard
Eastern Asia	Hong Kong, China	69.3	66.4	65.1	66.6	66.4	66.5	66.1		
	Japan	72.7	69.9	67.7	67.5	67.7	67.8	68.1	68.4	
	Korea, Rep. of	70.7	71.6	70.1	70.8	71.4	71.1	71.1	71.0	
	Macau, China			74.8	76.7	78.4	78	76.1		
	Mongolia		59.8	60.2	62.9	62.8	62.6	59.5	61	2003
	Taiwan, China	67.1	64.7	62.7	63.8	63.9	64.2	64.2	64.4	
South-Eastern Asia	Brunei Darussalam					67.9			62.8	
	Cambodia			89.6	88.5	87.8	88.5			
	Indonesia	79.4	77.1	78.1	79.3	79.3	78.7	78.0	78.3	
	Lao PDR			79.2					40.3	b
	Malaysia	79.3	77.2	75.3	78.6	78.4	78.3	77.7		
	Myanmar						79.7		76.4	
	Philippines	71.8	73.2	72.4	72.3	72.8		73.1	71.5	
	Singapore			73.5	73.2	73.3	73.9	73.3	73.0	
	Thailand	78.8	80.3	79.5	79.5	78.2	77.5	76.4		
	Timor-Leste			54.4	35.2					b
	Viet Nam	74.3		80.1	80.4	80.5	80.6	79.8	79.4	
Pacific islands	Australia	67.4	68.6	68.7	67.3	66.7	66.8	66.6	66.8	
	Cook Islands		69.6	70.4						2006, 2011
	Fiji		75.4			72.2		74.2		
	Kiribati	24.2	28.8	48.3						
	Marshall Islands			50.7						2011
	New Zealand	69.0	72.4	69.8	69.7	70.8	70.7	71.7	73.0	
	Palau	60.2								
	Papua New Guinea			47.7						
	Samoa					36.8				2012
	Solomon Islands			61.9						2009
	Tonga		44.7							2003
	Tuvalu		64.8							2002
	Vanuatu			75.0						2009
	Southern Asia	Afghanistan			79.9	76.0				
Bangladesh		84.4	83.9	79.2	79.2			79.4	78.0	
India		80.5	80.9	78.2	77.2					2012
Iran, Islamic Rep. of			70.3	60.6		62.6	63.0	63.0	63.7	
Maldives				61.1				70.3		
Nepal				85.7						2008
Pakistan		82.4	81.3	78.3	77.0	77.3	77.5			2004
Sri Lanka		72.5	63.4	72.4	72.6	72.3	72.5	72.9	72.4	

Note: See table A3-1.

**Table A3-3: Employment-to-population ratio, female (%)**

Region	Country/economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non-standard
Eastern Asia	Hong Kong, China	46.7	49.5	50.1	52.9	52.9	53.0	53.1		
	Japan	47.1	46.3	46.3	47.1	47.6	48.0	48.9	49.8	
	Korea, Rep. of	47.0	48.4	47.8	48.8	49.6	49.9	50.2	50.7	
	Macau, China			64.7	66.6	67.2	67.0	66.3		
	Mongolia		52.5	51.1	51.6	52.1	51.7	49.8	50.9	2003
	Taiwan, China	44.9	46.3	47.7	48.5	48.8	49.0	49.0	49.2	
South-Eastern Asia	Brunei Darussalam					53.8			50.9	
	Cambodia			84.0	77.6	77.4	77.1			
	Indonesia	48.2	41.3	47.7	48.5	48.7	48.5	49.0	50.1	
	Lao PDR			76.2					33.7	b
	Malaysia	46.1	44.2	45.5	50.8	52	52.3	52.2		
	Myanmar						51.1		46.8	
	Philippines	42.5	45.4	46.2	46.4	47.2		46.6	43.7	
	Singapore			54.0	55.6	56.2	58.0	57.7	57.2	
	Thailand	63.3	65.4	63.3	62.4	61.2	60.7	59.8		
	Timor-Leste			25.7	19.1					b
	Viet Nam	67.4		70.8	71.8	71.9	71.3	70.7	70.2	
Pacific islands	Australia	51.2	54.0	55.5	55.4	55.1	55.5	55.9	56.5	
	Cook Islands		58.2	60.1						2006, 2011
	Fiji		33.0			37.8		36.4		
	Kiribati	12.9	16.7	34.5						
	Marshall Islands			27.7						2011
	New Zealand	54.0	58.3	57.7	58.5	59.5	59.7	61.0	62.0	
	Palau	47.3								
	Papua New Guinea			47.1						
	Samoa					21.9				
	Solomon Islands			61.0						2009
	Tonga		31.7							2003
	Tuvalu		42.8							2002
	Vanuatu			57.1						2009
	Southern Asia	Afghanistan			42.8	15.5				
Bangladesh		54.0	27.1	33.9	31.1			33.2	33.9	
India		30.0	31.3	25.3	22.5					2012
Iran, Islamic Rep. of			16.9	12.1		10.5	11.6	12.9	14.0	
Maldives				32.9				39.8		
Nepal				78.4						2008
Pakistan		14.0	17.0	21.9	22.1	22.8	22.7			2004
Sri Lanka		33.5	27.2	21.0	33.2	32.5	33.2	33.4	34.3	

Note: See table A3-1.

**Table A4-1: Unemployment rate, total (%)**

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
Eastern Asia	Hong Kong, China	4.9	5.6	4.3	3.4	3.3	3.3	3.4	3.1		
	Japan	4.7	4.4	5.1	4.0	3.6	3.3	3.1	2.8		
	Korea, Rep. of	4.4	3.7	3.7	3.1	3.5	3.6	3.7	3.7		
	Macau, China	6.9	4.2	2.8	1.8	1.7	1.8	2.0	2.0		
	Mongolia		6.8	6.6	4.2	4.8	4.9	7.2	6.4	2003	ILO
	Mongolia	4.6	3.3	9.9	7.9	7.9	7.5	10.0	8.8		National
	Taiwan, China	3.0	4.1	5.2	4.2	4.0	3.8	3.9	3.8		
South- Eastern Asia	Brunei Darussalam					7.0			9.3		
	Cambodia		2.1	0.4	0.3	0.2				2004	
	Indonesia	6.1	7.9	5.6	4.3	4.1	4.5	4.3	4.2		ILO
	Indonesia	6.1	11.3	7.1	6.2	5.9	6.2	5.6	5.5		National
	Lao PDR			0.7					9.6		b
	Malaysia	3.0	3.5	3.3	3.1	2.9	3.1	3.4	3.4		
	Myanmar						0.8		1.6		
	Philippines	11.2	3.8	3.6	3.5	3.6		2.7	2.6		ILO
	Philippines	11.2	7.7	7.4	7.1	6.6	6.3	5.4	5.7		National
	Singapore	3.7	5.6	4.1	3.9	3.7	3.8	4.1	4.2		
	Thailand	2.4	1.4	0.6	0.5	0.6	0.6	0.7			ILO
	Thailand	2.4	1.4	1.0	0.7	0.8	0.9	1.0	1.2		National
	Timor-Leste			3.3	11.0						b
	Viet Nam	2.3		1.1	1.3	1.3	1.9	1.9	1.9		ILO
Viet Nam			2.6	1.9	1.8	2.1	2.3	2.0		National	
Pacific islands	Australia	6.3	5.0	5.2	5.7	6.1	6.1	5.7	5.6		
	Cook Islands	13.1	8.9	8.2						2001, 2006, 2011	
	Fiji		3.9	8.9		6.2		4.3			b
	Kiribati		14.7	30.6							
	Marshall Islands			4.7						2011	
	New Zealand	6.1	3.8	6.1	5.8	5.4	5.4	5.1	4.7		
	Palau	3.3	4.2								
	Papua New Guinea			2.0							
	Samoa				8.8	8.7				2012	
	Solomon Islands			2.0						2009	
	Tonga		5.2							2003	
	Tuvalu		6.5							2002	
	Vanuatu			5.5						2009	

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
Southern Asia	Afghanistan			2.5	1.7					2008, 2012	
	Bangladesh	3.3	4.3	3.4	4.4			4.4	4.4		
	India	2.7	3.1	2.4	2.7					2012	
	Iran, Islamic Rep. of		12.1	13.5	10.4	10.6	11.1	12.4	12.1		
	Maldives	2.0				5.2		6.1			
	Nepal			1.3						2008	
	Pakistan	7.2	7.1	0.7	3.0	1.8	3.6				
	Sri Lanka	7.7	7.7	4.9	4.4	4.4	4.7	4.4	4.2		

Note: Age group 15 and older. Type of survey details are available on ILOSTAT; most data come from national Labour Force Surveys. For the countries showing two estimates, the national definition of unemployment varies from the international standard as defined by the International Conference of Labour Statisticians (see ILO, 2013a). In most cases showing a national and ILO estimate, the official national rate excludes from the definition of unemployment one of the following criteria: being available for work or actively seeking a job. b = Break in series.

Source: ILOSTAT, Unemployment rate by sex and age -- ILO modelled estimates, May 2018 (accessed May 2018) and official national sources (where two estimates are shown).

**Table A4-2: Unemployment rate, male (%)**

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
Eastern Asia	Hong Kong, China	5.6	6.5	5.0	3.8	3.6	3.4	3.7	3.4		
	Japan	4.9	4.6	5.4	4.3	3.8	3.6	3.4	3.0		
	Korea, Rep. of	5.0	4.0	4.0	3.3	3.6	3.7	3.8	3.8		
	Macau, China	8.7	4.5	3.5	2.2	1.9	2.0	2.4	2.4		
	Mongolia		7.1	7.1	4.0	5.2	5.4	8.4	7.0	2003	ILO
	Mongolia	4.1	3.0	10.5	7.6	8.5	8.2	11.6	9.6		National
	Taiwan, China	3.4	4.3	5.8	4.5	4.3	4.1	4.2	4.0		
South- Eastern Asia	Brunei Darussalam					6.3			8.8		
	Cambodia			0.4	0.3	0.2					
	Indonesia	5.7	6.8	5.1	4.4	4.2	4.6	4.6	4.4		ILO
	Indonesia			6.2	6.1		6.1	5.7			National
	Lao PDR			0.8					10.9		b
	Malaysia	3.0	3.4	3.2	2.9	2.7	2.9	3.1			
	Myanmar						0.7		1.2		
	Philippines	11.0	3.5	3.5	3.3	3.5		2.6	2.5		ILO
	Philippines	11.0	7.7	7.6	7.3	6.9	6.6	5.6	6.0		National
	Singapore	3.9		3.9	3.5	3.5	3.6	3.8	4.0		
	Thailand	2.4	1.5	0.6	0.5	0.6	0.6	0.7			ILO
	Thailand	2.4	1.5	0.9	0.8	0.9	0.2	1.0			National
	Timor-Leste			2.9	11.2						b
Viet Nam	2.4		1.2	1.4	1.4	2.0	2.0	2.1		ILO	
Viet Nam			2.3	2.0	1.9	2.3	2.4	2.4		National	

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
Pacific islands	Australia	6.5	4.9	5.1	5.7	6.0	6.0	5.7	5.5		
	Cook Islands	11.7	8.5	8.2						2001, 2006, 2011	
	Fiji		3.3			4.9		3.7			b
	Kiribati		12.3	27.6							
	Marshall Islands			4.9						2011	
	New Zealand	6.3	3.5	5.9	5.2	4.7	4.9	4.8	4.2		
	Palau	3.1	3.7								
	Papua New Guinea			2.7							
	Samoa				7.8	7.8				2012	
	Solomon Islands			2.3						2009	
	Tonga		3.8							2003	
Tuvalu		5.0							2002		
Vanuatu			4.9						2009		
Southern Asia	Afghanistan			2.7	1.4					2008, 2012	
	Bangladesh	3.2	3.4	3.0	3.2			3.1	3.3		
	India	2.9	2.7	2.2	2.4					2012	
	Iran, Islamic Rep. of		10.5	11.9	8.6	8.8	9.3	10.5	10.2		
	Maldives	1.6				4.8		6.4			
	Nepal			1.6						2008	
	Pakistan	5.5	6.0	0.7	2.8	1.8	2.8				
Sri Lanka	5.9	5.6	3.5	3.1	2.9	3.0	2.9				

Note: See table A4-1.

**Table A4-3: Unemployment rate, female (%)**

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
Eastern Asia	Hong Kong, China	4.0	4.4	3.5	3.0	3.0	3.2	3.1	2.8		
	Japan	4.5	4.2	4.6	3.7	3.4	3.0	2.8	2.7		
	Korea, Rep. of	3.7	3.4	3.3	2.9	3.5	3.6	3.6	3.6		
	Macau, China	4.8	3.8	2.1	1.4	1.4	1.6	1.5	1.6		
	Mongolia		6.4	5.9	4.5	4.4	4.3	5.9	5.7	2003	ILO
	Mongolia	5.0	3.6	9.2	8.3	7.3	6.7	8.2	7.8		National
	Taiwan, China	2.4	3.9	4.5	3.8	3.6	3.4	3.6	3.4		
South- Eastern Asia	Brunei Darussalam					7.9			10.0		
	Cambodia			0.3	0.3	0.2					
	Indonesia	6.7	10.1	6.4	4.3	3.9	4.4	3.9	3.9		ILO

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition	
South- Eastern Asia	Indonesia			8.7	6.5		6.4	5.4			National	
	Lao PDR			0.7					8.0		b	
	Malaysia	3.1	3.7	3.4	3.4	3.2	3.4	3.9				
	Myanmar						0.9		2.0			
	Philippines	11.5	4.2	3.8	3.8	3.7		2.9	2.7		ILO	
	Philippines	11.5	7.8	6.9	6.8	6.1	5.8	5.2	5.2		National	
	Singapore	3.5		4.4	4.4	4.1	4.0	4.5	4.4			
	Thailand	2.3	1.2	0.6	0.5	0.6	0.6	0.7			ILO	
	Thailand	2.3	1.2	0.8	0.8	0.8	0.2	0.9			National	
	Timor-Leste			4.3	10.6							b
	Viet Nam	2.1		1.1	1.1	1.1	1.7	1.7	1.7		ILO	
Viet Nam			3.1	1.9	1.8	2.0	2.2	2.1			National	
Pacific islands	Australia	6.1	5.2	5.4	5.6	6.2	6.1	5.8	5.7			
	Cook Islands	14.8	9.4	8.1						2001, 2006, 2011		
	Fiji		5.2			8.5		5.5			b	
	Kiribati		18.2	34.1								
	Marshall Islands			4.5						2011		
	New Zealand	6.0	4.2	6.4	6.4	6.1	5.9	5.5	5.2			
	Palau	3.5	4.9									
	Papua New Guinea			1.3								
	Samoa				10.3	10.3					2012	
	Solomon Islands			1.8							2009	
	Tonga		7.4								2003	
	Tuvalu		8.6								2002	
	Vanuatu			6.2							2009	
Southern Asia	Afghanistan			2.2	3.3						2008, 2012	
	Bangladesh	3.3	7.0	4.4	7.4			7.3	6.7			
	India	2.4	4.2	3.3	3.7						2012	
	Iran, Islamic Rep. of		18.2	20.7	19.8	19.7	19.5	20.7	19.9			
	Maldives	2.7				5.9		5.6				
	Nepal			1.1							2008	
	Pakistan	15.8	12.1	0.6	3.4	2.0	6.1					
	Sri Lanka	11.4	11.9	7.7	6.8	7.3	7.6	7.0				

Note: See table A4-1

**Table A4-4: Youth unemployment rate, total (%)**

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
Eastern Asia	Hong Kong, China	11.2	10.7	12.2	9.5	9.3	10.5	9.8	8.7		
	Japan	9.1	8.7	9.4	6.9	6.3	5.5	5.1	4.6		
	Korea, Rep. of	10.8	10.2	9.8	9.4	10.0	10.5	10.7	10.4		
	Macau, China	10.9	8.2	5.5	4.2		4.5	5.1			
	Mongolia			14.8	10.9	12.3	13.1	20.8	17.9		
	Taiwan, China	7.3	10.6	13.1	13.1	12.6	12.1	12.1	12.0		
South- Eastern Asia	Brunei Darussalam					25.4			28.9		
	Cambodia				1.6					2012	
	Indonesia	19.9	26.2	17.6	15.7	15.7	17.0	15.8	15.6		
	Lao PDR			1.8					18.4		b
	Malaysia			11.4	9.8	9.5	10.7	10.5			
	Myanmar						1.6		4.0		
	Philippines	25.3	9.6	9.9	9.2	9.5		7.7	7.5		
	Singapore			9.9	9.3	8.8	9.4	9.1	10.8		
	Thailand	6.6	4.8	2.5	2.4	3.1	3.1	3.7			
	Timor-Leste			12.4	21.8						b
	Viet Nam			3.6	4.8	5.2	6.7	7.2	7.3		ILO
Viet Nam			7.0	6.2	6.3	7.0	7.2	7.5		National	
Pacific islands	Australia	12.1	10.6	11.6	12.2	13.3	13.1	12.6	12.6		
	Cook Islands				15.5					2012	
	Fiji		9.8			18.1		15.4			b
	Kiribati			54.0						2011	
	New Zealand	13.5	9.8	16.4	15.1	13.9	13.7	13.2	12.7		
	Palau	9.6									
	Papua New Guinea			3.6							
	Samoa				19.1	19.1				2012	
Vanuatu			10.6						2009		
Southern Asia	Afghanistan			4.1	2.9					2008, 2012	
	Bangladesh	10.7	9.3	6.4	9.9			11.4	12.8		
	India	8.1	9.0	9.0	10.1					2012	
	Iran, Islamic Rep. of		24.2	28.7		25.2	26.1	29.2	28.4		
	Maldives	4.4				12.4		15.9		2001	
	Nepal			2.2						2008	
	Pakistan	13.3	11.7	1.3	5.9	4.0	6.6			2004	
Sri Lanka	23.7	26.4	19.4	20.6	21.9	20.7	21.6				

Note: Age group 15–24. See table A4-1 for additional notes.

**Table A4-5: Youth unemployment rate, male (%)**

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
Eastern Asia	Hong Kong, China	11.9	13.8	14.0	11.3	10.4	11.4	11.0	9.3		
	Japan	10.2	9.9	10.4	7.6	7.1	6.0	5.7	4.7		
	Korea, Rep. of	13.6	12.3	11.2	9.8	11.2	11.3	11.0	11.3		
	Macau, China	15.9	11.1	7.7	5.5		5.7	6.5			
	Mongolia			15.2	9.0	11.9	12.2	20.0	15.0		
	Taiwan, China	8.3	11.7	13.6	13.2	13.1	12.4	11.7	11.6		
South- Eastern Asia	Brunei Darussalam					23.5			28.4		
	Cambodia				1.8					2012	
	Indonesia	19.7	23.8	16.7	15.5	15.5	17.0	15.8	15.6		
	Lao PDR			1.9					21.0		b
	Malaysia			11.0	8.7	8.6	9.9	9.8			
	Myanmar						1.4		3.3		
	Philippines	22.9	8.1	8.7	8.0	8.4		6.8	6.6		
	Singapore			7.6	6.1	6.2	7.7	6.2	8.2		
	Thailand	7.0	4.9	2.2	2.0	2.6	2.6	3.0			
	Timor-Leste			8.7	25.1						b
	Viet Nam			3.6	4.7	5.0	6.5	7.1	7.3		ILO
Viet Nam			5.9	5.4	5.5	6.8	7.1	7.6		National	
Pacific islands	Australia	12.9	10.9	12.0	13.0	14.1	14.2	13.8	13.7		
	Cook Islands				15.6					2012	
	Fiji		7.1			13.9		11.9			b
	Kiribati		37.2	47.6						2006, 2011	
	New Zealand	14.6	9.4	16.1	14.7	13.3	13.7	13.1	12.4		
	Palau	8.8									
	Papua New Guinea			4.3							
	Samoa				15.6	15.6				2012	
Vanuatu			10.2						2009		
Southern Asia	Afghanistan			4.1	2.6					2008, 2012	
	Bangladesh	11.1	8.0	6.0	10.1			10.1	10.8		
	India	8.4	8.5	8.6	9.5					2012	
	Iran, Islamic Rep. of		21.2	25.5		21.3	22.3	25.4	24.2		
	Maldives	4.0				12.5		19.1		2001	
	Nepal			2.9						2008	
	Pakistan	11.1	11.0	1.3	6.1	4.0	5.7			2004	
	Sri Lanka	19.9	20.4	16.3	14.7	15.6	16.5	17.1			

Note: Age group 15–24. See table A4-1 for additional notes.

**Table A4-6: Youth unemployment rate, female (%)**

Region	Country/ economy	2000	2005	2010	2013	2014	2015	2016	2017	Year, if non- standard	Definition
Eastern Asia	Hong Kong, China	10.4	7.9	10.4	7.7	8.1	9.6	8.6	8.2		
	Japan	7.9	7.4	8.0	6.2	5.4	5.1	4.5	4.5		
	Korea, Rep. of	9.0	9.0	9.0	9.0	9.2	10.0	10.5	9.7		
	Macau, China	7.3	5.8	3.5	3.0		3.9	2.9			
	Mongolia			14.2	13.4	13.0	14.4	22.2	22.6		
	Taiwan, China	6.5	9.8	12.7	13.0	12.2	11.7	12.5	12.4		
South- Eastern Asia	Brunei Darussalam					28.1			29.5		
	Cambodia				1.4					2012	
	Indonesia	20.1	29.8	18.8	16.1	16.1	17.0	15.8	15.6		b
	Lao PDR			1.7					15.8		
	Malaysia			12.0	11.5	10.9	11.8	11.4			
	Myanmar						1.8		4.8		
	Philippines	29.5	11.9	12.0	11.2	11.3		9.2	8.9		
	Singapore			12.5	13.3	11.8	11.2	12.5	14.3		
	Thailand	6.0	4.6	3.1	3.0	3.9	3.9	4.7			
	Timor-Leste			19.1	16.7						b
	Viet Nam			3.5	4.8	5.4	7.0	7.2	7.3		ILO
	Viet Nam			8.3	7.1	7.2	7.3	7.3	7.4		National
Pacific islands	Australia	11.2	10.3	11.1	11.4	12.5	11.9	11.4	11.5		
	Cook Islands				15.3					2012	
	Fiji		16.0			25.7		22.4			b
	Kiribati		41.6	61.8						2006, 2011	
	New Zealand	12.4	10.2	16.7	15.4	14.6	13.7	13.4	13.0		
	Palau	10.6									
	Papua New Guinea			3.0							
	Samoa				25.3	25.3				2012	
	Vanuatu			11.2						2009	
Southern Asia	Afghanistan			4.0	4.5					2008, 2012	
	Bangladesh	10.3	13.6	7.0	9.6			14.1	16.8		
	India	7.0	10.6	10.4	12.0					2012	
	Iran, Islamic Rep. of		33.9	41.3		43.8	42.8	44.2	43.7		
	Maldives	5.1				12.3		12.1		2001	
	Nepal			1.6						2008	
	Pakistan	29.2	14.9	1.1	5.4	3.9	9.4			2004	
	Sri Lanka	30.8	37.1	24.7	30.6	32.7	27.3	29.2			

Note: Age group 15–24. See table A4-1 for additional notes.

**Table A5: Distribution of labour force by age group, 2015 and 2030 (%)**

Country/economy	2015			2030			Demographic grouping
	15–24	25–54	55+	15–24	25–54	55+	
Afghanistan	35.4	57.1	7.5	31.0	60.8	8.2	Pre-dividend
Australia	16.9	65.6	17.6	15.5	63.2	21.3	Post-dividend
Bangladesh	19.6	68.9	11.5	14.1	69.0	16.9	Early dividend
Brunei Darussalam	11.6	80.0	8.4	7.9	76.0	16.1	Late dividend
Cambodia	27.1	60.7	12.2	21.3	62.1	16.7	Early dividend
China	11.1	73.7	15.2	9.1	66.8	24.1	Late dividend
Fiji	15.6	70.7	13.7	14.2	70.7	15.2	Early dividend
Hong Kong, China	8.3	73.6	18.1	5.7	70.0	24.2	Post-dividend
India	16.2	69.4	14.4	12.0	71.0	17.0	Early dividend
Indonesia	16.9	68.5	14.5	14.2	65.6	20.3	Early dividend
Iran, Islamic Rep. of	12.7	79.3	8.1	9.7	78.4	11.9	Early dividend
Japan	7.8	63.5	28.7	7.3	57.3	35.3	Post-dividend
Korea, Rep.of	7.7	68.2	24.1	4.2	59.3	36.4	Late dividend
Lao PDR	25.1	65.2	9.7	18.3	69.1	12.6	Early dividend
Macau, China	9.3	75.3	15.1	5.7	72.7	21.6	Post-dividend
Malaysia	17.3	71.9	10.8	10.6	75.5	13.9	Late dividend
Maldives	19.3	73.1	7.5	13.0	75.4	11.2	Early dividend
Mongolia	12.4	81.8	5.8	9.9	81.1	8.9	Late dividend
Myanmar	22.8	66.5	10.7	18.3	67.6	14.1	Early dividend
Nepal	27.9	56.8	15.3	19.7	62.6	17.7	Early dividend
New Zealand	16.1	61.6	22.4	13.1	59.0	27.8	Post-dividend
Pakistan	24.2	64.9	11.0	20.7	67.0	12.3	Early dividend
Papua New Guinea	23.3	63.4	13.3	20.3	63.8	15.9	Early dividend
Philippines	19.4	66.8	13.9	15.7	67.9	16.4	Early dividend
Samoa	23.1	66.7	10.3	20.5	63.6	13.6	Early dividend
Singapore	9.4	68.8	21.7	6.6	61.6	31.8	Post-dividend
Solomon Islands	27.2	61.0	11.8	24.9	59.8	15.6	Early dividend
Sri Lanka	11.8	69.5	18.7	10.0	63.7	26.4	Late dividend
Taiwan, China	8.1	77.3	14.6	4.7	76.1	19.2	Late dividend
Thailand	10.3	70.7	19.0	8.2	64.2	27.6	Late dividend
Timor-Leste	12.5	72.9	14.7	9.6	74.5	16.0	Pre-dividend
Tonga	20.0	62.5	17.5	18.0	64.0	20.0	Early dividend
Vanuatu	22.7	63.0	14.3	20.6	61.8	17.6	Early dividend
Viet Nam	17.2	69.0	13.7	12.5	66.7	20.8	Late dividend

Note: The categorization of demographic transition follows that defined by the World Bank. Post dividend (six countries) = total fertility rate in 1985 below 2.1 and shrinking working-age population share, 2015–30; late dividend (nine countries) = total fertility rate, 1985 above 2.1 and shrinking working-age population, 2015–30; early dividend (17 countries) = total fertility rate below 4 and increasing working-age population share, 2015–30; pre-dividend (2 countries) = total fertility rate above 4 and increasing working-age population share, 2015–30.

Source: Calculations based on ILOSTAT, Labour force participation rate by sex and age -- ILO modelled estimates, July 2017 (accessed May 2018).

**Table A6-1: Status in employment, total, 2010 and 2017 or nearest years (% in total employment)**

Region	Country/ economy	Wage or salaried worker (employee)		Employer		Own- account workers		Contributing family worker		Not classifiable		Vulnerable employment		Year, if non- standard
		2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	
Eastern Asia	Hong Kong, China	90.1	91.3	3.5	2.8	6.0	5.6	0.4	0.3			6.4	5.9	2016
	Japan	87.3	89.1	2.2	2.0	9.3	6.1	3.0	2.3		0.5	12.3	8.4	
	Korea, Rep. of	71.2	74.6			23.5	21.3	5.3	4.1			28.8	25.4	
	Macau, China	92.1	93.6	3.1	3.2	4.2	3.1	0.6	0.2			4.8	3.3	2016
	Mongolia	42.5	49.8	1.2	1.0	46.4	46.1	9.6	3.0	0.2		56.0	49.1	
	Taiwan, China	77.2	79.3	4.5	3.9	12.7	11.7	5.6	5.1			18.3	16.8	
South- Eastern Asia	Brunei Darussalam		91.1		2.8		5.7		0.4				6.1	2014
	Cambodia	29.8	48.9	0.2	0.1	50.4	47.3	19.4	3.6	0.2	0.1	69.8	50.9	2015
	Indonesia	39.8	48.8	2.9	3.4	39.5	34.3	17.8	13.4			57.3	47.7	
	Lao PDR	15.7	32.4	0.5	1.1	49.0	28.2	34.8	38.3			83.8	66.5	b
	Malaysia	74.8	74.4	3.8	3.4	17.0	17.8	4.3	4.4			21.3	22.2	2016
	Myanmar		36.8		2.9		35.4		24.9				60.3	
	Philippines	54.2	62.2	3.9	3.7	30.1	27.8	11.8	6.3			41.9	34.1	
	Singapore	85.5	85.4	5.3	4.9	8.6	9.3	0.6	0.5			9.2	9.8	
	Thailand	44.5	49.0	2.7	2.8	31.8	31.6	21.0	16.6			52.8	48.2	2016
	Timor-Leste	28.3	41.6	1.7	2.7	40.7	36.7	28.9	17.8	0.2	0.8	69.6	54.5	2013; b
	Viet Nam	33.7	42.8	3.4	2.0	43.3	39.5	19.4	15.6	0.1		62.7	55.1	
Pacific islands	Australia	81.6	83.1	6.8	6.2	11.3	10.6	0.3	0.2			11.6	10.8	
	Cook Islands	84.5		5.7		8.1		1.8				9.9		2011
	Fiji	52.2	63.6	1.2	1.2	23.7	15.6	22.2	0.9		17.7	45.9	16.5	2011, 2016; b
	Kiribati	40.5		4.1		42.5		10.8				53.3		
	New Zealand	83.7	81.3	4.6	6.2	10.6	11.6	1.1	0.8	2.1	0.1	11.7	12.4	
	Samoa	64.1	63.7	4.9	3.0	29.4	24.8	1.5	4.8	0.1	3.7	30.9	29.6	2012
Southern Asia	Afghanistan	18.4		1.0		66.5		13.0		1.2		79.5		2012
	Bangladesh	37.7	39.1	0.2	4.5	40.4	44.0	21.8	11.8		0.7	62.2	55.8	
	India	16.7		1.2		66.3		15.9				82.2		
	Iran, Islamic Rep. of	55.4	54.5	4.1	3.8	32.6	36.0	7.9	5.4		0.2	40.5	41.4	
	Maldives		69.6		4.1		16.5		3.0		2.4		19.5	2016
	Pakistan	36.5	38.6	1.3	1.3	35.4	35.8	26.6	24.2	0.2		62.0	60.0	2016
	Sri Lanka	55.5	56.4	2.6	2.8	31.5	31.9	10.4	8.9			41.9	40.8	2014

Note: Type of survey details are available on ILOSTAT; most data come from national Labour Force Surveys. b = break in series.  
Source: ILOSTAT, Employment distribution by status in employment -- ILO modelled estimates, May 2018 (accessed May 2018).

**Table A6-2: Status in employment, male, 2010 and 2017 or nearest years (% in total employment)**

Region	Country/ economy	Wage or salaried worker (employee)		Employer		Own- account workers		Contributing family worker		Not classifiable		Vulnerable employment		Year, if non- standard
		2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	
Eastern Asia	Hong Kong, China	86.0	88.0	5.3	4.4	8.7	7.5	0.1	0.1			8.8	7.6	2016
	Japan	86.7	87.9		2.9	12.0	7.8	0.9	0.8		0.5	12.9	8.6	
	Korea, Rep. of	70.0	72.1			28.7	26.9	1.3	1.0			30.0	27.9	
	Macau, China	88.7	91.0	4.8	4.7	6.3	4.3	0.3	0.1			6.6	4.4	2016
	Mongolia	38.5	46.6	1.5	1.3	55.0	50.6	4.6	1.4	0.3		59.6	52.0	
	Taiwan, China	74.1	76.0	6.6	5.7	16.9	15.6	2.5	2.8			19.4	18.4	
South- Eastern Asia	Brunei Darussalam		90.8		3.5		5.4		0.4			0.0	5.8	2014
	Cambodia	35.4	54.0	0.2	0.1	44.7	42.3	19.5	3.5	0.2		64.2	45.8	2015
	Indonesia	43.1	53.4	3.9	4.5	44.9	36.3	8.2	5.9			53.1	42.2	
	Lao PDR	20.4	37.3	0.8	1.4	54.4	29.3	24.5	31.9			78.9	61.2	b
	Malaysia	72.7	74.9	5.0	4.7	19.8	18.1	2.5	2.3			22.3	20.4	2016
	Myanmar		36.6		4.1		42.7		16.6			0.0	59.3	
	Philippines	55.0	64.0	4.9	4.4	31.4	27.3	8.8	4.3			40.2	31.6	
	Singapore	81.7	81.1	7.1	6.5	10.9	12.1	0.4	0.3			11.3	12.4	
	Thailand	45.6	49.2	3.8	4.0	36.4	35.3	14.2	11.4			50.6	46.7	2016
	Timor-Leste	32.2	48.7	1.7	3.3	38.4	32.2	27.3	14.7	0.3	0.9	65.7	46.9	2013; b
Pacific islands	Viet Nam	39.1	47.6	4.6	2.9	43.1	39.3	13.0	10.2	0.2		56.1	49.5	
	Australia	77.4	79.2	8.6	8.0	13.8	12.7	0.2	0.2			14.0	12.9	
	Cook Islands	81.5		6.5		10.0		2.1				12.1	0.0	2011
	Fiji	55.1	62.8	1.3	1.1	26.5	17.2	16.4	0.8		17.3	42.9	18.0	2011, 2016; b
	Kiribati	40.1		5.1		40.2		12.3		2.3		52.5	0.0	
	New Zealand	79.8	78.2	6.1	8.0	13.3	13.1	0.8	0.6	0.1	0.2	14.1	13.7	
	Samoa	64.6	59.7	4.8	3.8	29.6	27.8	0.8	4.6	0.2	4.2	30.4	32.4	2012
Southern Asia	Afghanistan	19.6		1.1		70.3		7.9				78.2	0.0	2012
	Bangladesh	45.9	42.6	0.2	3.7	46.9	46.4	7.0	4.2		0.7	53.9	50.6	
	India	18.0		1.4		69.7		10.9				80.6	0.0	
	Iran, Islamic Rep. of	56.5	54.3	4.8	4.4	34.7	38.7	4.1	2.5			38.8	41.2	
	Maldives		72.5		5.6		10.7		2.4			0.0	13.1	2016
	Pakistan	40.7	42.8	1.6	1.7	41.1	40.5	16.4	15.0	0.2		57.5	55.5	2016
	Sri Lanka	56.1	57.3	3.5	3.7	36.0	36.1	4.4	2.9			40.4	39.0	2014

Note: See table A6-1.

**Table A6-3: Status in employment, female, 2010 and 2017 or nearest years (% in total employment)**

Region	Country/ economy	Wage or salaried worker (employee)		Employer		Own- account workers		Contributing family worker		Not classifiable		Vulnerable employment		Year, if non- standard
		2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	
Eastern Asia	Hong Kong, China	94.7	94.7	1.5	1.1	3.1	3.7	0.7	0.5			3.8	4.2	2016
	Japan	88.2	90.6		0.8	5.5	3.9	5.9	4.2		0.5	11.4	8.1	
	Korea, Rep. of	72.4	76.8			16.8	14.8	10.8	8.4			27.6	23.2	
	Macau, China	95.5	96.4	1.4	1.6	2.0	1.7	1.1	0.3			3.1	2.0	2016
	Mongolia	46.8	53.4	0.8	0.7	36.8	41.0	15.3	4.8	0.2	0.1	52.1	45.8	
	Taiwan, China	81.2	83.4	2.0	1.8	7.3	6.7	9.5	8.0			16.8	14.7	
South- Eastern Asia	Brunei Darussalam		91.5		2.0		6.2		0.4			0.0	6.6	2014
	Cambodia	24.3	43.4	0.2	0.1	56.0	52.7	19.3	3.8	0.3		75.3	56.5	2015
	Indonesia	34.5	41.7	1.4	1.8	30.7	31.3	33.5	25.2			64.2	56.5	
	Lao PDR	10.9	25.9	0.2	0.8	43.7	26.9	45.2	45.6		0.9	88.9	72.5	b
	Malaysia	78.6	73.5	1.6	1.4	12.1	17.4	7.7	7.7			19.8	25.1	2016
	Myanmar		37.0		1.4		25.3		36.3			0.0	61.6	
	Philippines	52.9	59.3	2.3	2.5	28.2	28.6	16.6	9.6			44.8	38.2	
	Singapore	90.4	90.5	3.1	2.8	5.7	6.0	0.8	0.7			6.5	6.7	
	Thailand	43.3	48.7	1.5	1.4	26.3	27.1	29.0	22.8			55.3	49.9	2016
	Timor-Leste	19.9	28.2	1.7	1.7	45.7	45.2	32.4	23.8		0.7	78.1	69.0	2013; b
	Viet Nam	28.0	37.7	2.2	1.1	43.5	39.7	26.2	21.4	0.1		69.7	61.1	
Pacific islands	Australia	86.7	87.5	4.8	4.1	8.2	8.1	0.3	0.2			8.5	8.3	
	Cook Islands	87.9		4.6		6.0		1.5				7.5	0.0	2011
	Fiji	46.7	65.2	0.9	1.4	18.4	12.3	33.1	1.1		18.6	51.5	13.4	2011, 2016; b
	Kiribati	41.0		2.9		45.4		8.7		1.9		54.1	0.0	
	New Zealand	88.0	84.9	2.9	4.1	7.6	9.9	1.4	1.0	0.1	0.1	9.0	10.9	
	Samoa	63.2	72.0	5.1	1.4	28.9	18.6	2.8	5.2		2.8	31.7	23.9	2012
Southern Asia	Afghanistan	12.3		0.4		47.4		38.6		1.4		86.0	0.0	2012
	Bangladesh	18.5	31.2	0.2	0.6	25.1	38.6	56.3	29.1		0.5	81.4	67.7	
	India	12.5		0.5		55.1		31.8				86.9	0.0	
	Iran, Islamic Rep. of	50.3	55.7	0.9	1.4	22.1	23.7	26.7	18.6		0.6	48.8	42.3	
	Maldives		65.3		1.7		25.5		4.0		2.4	0.0	29.5	2016
	Pakistan	20.8	24.8	0.2	0.1	14.2	20.4	64.5	54.7	0.3		78.7	75.1	2016
	Sri Lanka	54.3	54.7	0.8	1.0	22.6	23.7	22.4	20.6			45.0	44.3	2014

Note: See table A6-1.

**Table A7: Fiji 2016: Characteristics of employees with written contract, temporary employees without written contract and casual day labourers (% in total paid employment)**

	Permanent employee with written contract	Temporary employee with written contract	Temporary employee without written contract	Subsistence own-production work
Distribution	51.9	16.4	7.8	23.9
<b>Sex</b>				
Male	66.9	59.2	72.6	65.4
Female	33.1	40.8	27.4	34.6
<b>Geographic location</b>				
Urban	65.6	74.5	49.4	20.7
Rural	34.4	25.5	50.6	79.3
<b>Educational attainment</b>				
Less than primary	0.6	0.1	0.8	1.4
Primary	26.1	13.3	51.1	57.8
Secondary	41.4	31.0	39.0	34.2
Tertiary	32.0	55.6	9.1	6.6
<b>Informal employment</b>				
Informal job	3.2	0.7	26.2	95.6
Formal job	93.2	98.6	59.2	4.4
Household work	3.7	0.7	14.6	0.0
<b>Working time</b>				
Part time	34.8	52.9	44.4	91.9
Full time	65.2	47.0	55.6	8.1
<b>Employment by sector</b>				
Agriculture	6.2	3.4	24.5	24.8
Manufacturing	8.8	7.1	3.4	1.0
Construction	11.0	7.1	21.2	0.7
Mining	1.2	0.2	0.2	0.0
Market services	53.8	36.5	28.7	6.2
Non-market services	18.7	44.6	22.0	67.3
<b>Occupational skills level</b>				
Low skill	11.3	9.4	44.4	4.7
Medium skill	64.2	46.0	50.7	95.3*
High skill	24.5	44.6	4.9	0
Average monthly wage (Fiji dollar)	1,111	1,401	566	n.a.

Note: Sectors in "market services" include trade, transportation, accommodation and food, and business and administrative services. "Non-market services" include Public administration, Community, social and other services and activities. \* = 88 per cent of own-production workers are classified in the occupational category of skilled agricultural workers and thus placed among the medium-skilled group. The skills level of this group is debatable; many of these workers could fit as well in the low skill category.

Source: Calculations based on national Labour Force Surveys from the ILO repository of microdata files.

**Table A8: Part-time employment rate, 2010 and 2017 or nearest years (% employed less than 30 hours per week)**

Country/economy	2010			2017			Year, if non-standard
	Total	Male	Female	Total	Male	Female	
Afghanistan	24.9	18.8	55.9	n.a.	n.a.	n.a.	2012
Australia	26.1	16.6	37.5	26.5	17.6	36.8	2016
Bangladesh	13.9	7.9	25.4	11.8	6.1	24.9	2013
Brunei Darussalam	n.a.	n.a.	n.a.	7.4	5.7	9.6	2014
Cambodia	18.8	16.0	22.0	n.a.	n.a.	n.a.	2012
Fiji	38.1	32.2	49.0	25.9	24.2	29.1	2011, 2016
Hong Kong, China	7.3	5.8	8.9	9.7	8.0	11.5	2016
Indonesia	23.3	17.5	32.7	22.9	16.8	32.2	
Iran, Islamic Rep. of	n.a.	n.a.	n.a.	16.3	12.3	37.6	2016
Japan	19.8	10.2	32.9	22.0	11.7	35.6	2016
Korea, Rep. of	10.4	7.1	15.2	11.2	7.3	16.6	
Lao PDR	8.1	7.5	8.7	18.1	16.5	20.0	b
Macau, China	6.0	5.7	6.2	3.7	3.6	3.7	2016
Malaysia	4.3	3.5	5.9	3.1	2.2	4.7	2016
Maldives	n.a.	n.a.	n.a.	14.9	7.8	25.9	2016
Mongolia	8.7	5.9	12.0	5.3	4.0	6.8	
Myanmar	8.0	6.3	10.2	8.2	7.4	9.3	2015
New Zealand	22.9	13.8	33.3	23.3	14.6	33.1	
Pakistan	9.4	3.7	30.4	9.5	3.7	28.9	2016
Philippines	21.4	19.0	24.9	22.4	20.8	25.1	
Samoa	19.9	20.8	25.1	n.a.	n.a.	n.a.	2012
Singapore	n.a.	n.a.	n.a.	7.9	5.3	10.9	2014
Sri Lanka	16.0	13.2	21.7	13.6	10.9	18.7	2014
Thailand	11.8	11.8	12.4	10.5	10.5	11.1	2016
Timor-Leste	24.3	19.1	34.3	n.a.	n.a.	n.a.	2013
Viet Nam	14.5	13.5	18.2	14.3	12.2	16.7	2012

Note: Data represent actual hours worked per week. b = Break in series. n.a. = Not available.

Source: Calculations based on ILOSTAT, Employment distribution by hours actually worked (accessed May 2018).

**Table A9: Variables of worker satisfaction or dissatisfaction from the Gallup World Poll (% of paid employees)**

Country/economy	Employees not treated fairly (2010)	Behave poorly due to stress at work (2013)	Feel are not paid appropriately (2013)	Unhealthy working conditions (2013)	Dangerous work conditions (2010)	Gender equality at work (2011)
Afghanistan	33.9	24.7	26.8	36.3	14.5	46.6
Australia	15.3		19.7	15.2	20.4	21.0
Bangladesh	37.6	17.5	54.4	10.5	28.6	28.6
Cambodia	8.8	38.1	26.9	54.3	10.8	7.5
China	16.5	31.8	39.6	22.8	8.5	13.9
Hong Kong, China	41.9	39.4	14.6	23.9	13.2	21.4
India	25.6	18.6	40.6	30.6	16.9	33.6
Indonesia	8.1	19.8	30.5	28.9	14.4	10.1
Japan	33.8	18.0	27.4	13.1	7.5	49.9
Korea, Rep. of	34.2	24.9	31.1	15.3	7.6	61.2
Lao PDR	n.a.	23.6	36.9	45.9	n.a.	8.4
Malaysia	29.1	23.1	25.8	20.6	16.3	9.6
Mongolia	39.7	27.6	47.3	35.2	19.1	34.6
Nepal	12.9	15.4	39.2	34.5	22.6	58.9
New Zealand	15.7	43.5	26.5	17.8	24.7	19.1
Pakistan	26.5	38.7	52.1	42.1	32.1	36.5
Philippines	20.5	44.9	23.4	24.4	18.3	36.4
Singapore	18.7	n.a.	24.0	12.2	5.3	12.3
Sri Lanka	14.1	19.0	29.4	15.2	20.5	28.0
Taiwan, China	n.a.	27.4	26.9	20.9	n.a.	45.0
Thailand	16.6	29.7	17.8	22.0	24.4	24.9
Viet Nam	11.7	23.3	28.8	30.7	2.6	12.4

Source: Calculations based on World Gallup Poll.

**Table A10: Selected labour market indicators and GDP growth rate by income grouping (%)**

Grouping	GDP growth rate	Employment-to-population ratio	Unemployment rate	Industry (share of employment)	Services (share of employment)	Vulnerable employment rate	Working poverty rate (extreme+ moderate)
<b>Period 1991–99</b>							
High income	3.7	60.3	4.8	28.7	66.8	13.1	2.7
Newly industrialized countries, upper middle income	6.3	61.9	5.0	27.2	35.5	47.8	28.0
Newly industrialized countries, lower middle-income	4.1	61.6	4.4	14.0	27.4	67.3	67.8
Low income, mixed	5.5	67.0	6.8	5.6	20.8	74.7	82.6
Small island States	4.7	62.2	3.3	13.8	39.7	60.5	50.7
<b>Period 2000–09</b>							
High-income	4.0	61.0	4.9	23.1	73.5	12.4	1.3
Newly industrialized countries, upper middle income	6.0	60.5	5.3	27.8	42.6	41.6	15.2
Newly industrialized countries, lower middle-income	6.5	61.7	4.3	16.4	32.5	64.6	54.1
Low income, mixed	9.3	63.8	4.9	6.7	22.9	78.4	84.1
Small island States	2.6	58.5	3.9	14.5	44.6	56.1	43.9
<b>Period 2010–17</b>							
High-income	3.2	62.5	4.1	19.7	77.7	10.3	0.5
Newly industrialized countries, upper middle income	5.0	59.0	5.1	27.8	50.0	37.0	4.7
Newly industrialized countries, lower middle-income	6.4	61.7	3.1	21.0	39.6	55.2	36.3
Low income, mixed	4.1	61.6	3.8	9.0	31.0	72.7	66.7
Small island States	3.7	58.7	4.5	14.8	50.5	51.6	29.7

Note: Values are simple averages of annual rates across respective time periods. Income groupings are defined in table 3.1.

Source: Calculations based on ILOSTAT, various tables of ILO modelled estimates, except for annual GDP growth rate which is from the World Bank, DataBank.



## Annex B. SDG indicators linked to areas of decent work

Number	Description	ILO custodian
1.1.1	Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)	
1.2.1	Proportion of population living below the national poverty line, by sex and age	
1.2.2	Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	
1.3.1	Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable	Tier II
1.4.1	Proportion of population living in households with access to basic services	
1.a.1	Proportion of domestically generated resources allocated by the government directly to poverty reduction programmes	
1.a.2	Proportion of total government spending on essential services (education, health and social protection)	
1.b.1	Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups	
2.3.1	Volume of production per labour unit by classes of farming/pastoral/forestry enterprise size	
2.3.2	Average income of small-scale food producers, by sex and indigenous status	
2.a.1	The agriculture orientation index for government expenditures	
2.a.2	Total official flows (official development assistance plus other official flows) to the agriculture sector	
2.b.1	Agricultural export subsidies	
2.c.1	Indicator of food price anomalies	
4.1.1	Proportion of children and young people (a) in grades 2/3; (b) at the end of primary; and (c) at the end of lower secondary achieving at least a minimum proficiency level in (i) reading and (ii) mathematics, by sex	
4.3.1	Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex	
4.4.1	Proportion of youth and adults with information and communications technology (ICT) skills, by type of skill	
5.1.1	Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex	
5.4.1	Proportion of time spent on unpaid domestic and care work, by sex, age and location	
5.5.2	Proportion of women in managerial positions	Tier I
8.1.1	Annual growth rate of real GDP per capita	
8.2.1	Annual growth rate of real GDP per employed person	Tier I

Number	Description	ILO custodian
8.3.1	Proportion of informal employment in non-agriculture employment, by sex	Tier II
8.5.1	Average hourly earnings of female and male employees, by occupation, age and persons with disabilities	Tier II
8.5.2	Unemployment rate, by sex, age and persons with disabilities	Tier I
8.6.1	Proportion of youth (aged 15–24 years) not in education, employment or training	Tier I
8.7.1	Proportion and number of children aged 5–17 years engaged in child labour, by sex and age	Tier II
8.8.1	Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status	Tier II
8.8.2	Level of national compliance with labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status	Tier III
8.b.1	Existence of a developed and operationalized national strategy for youth employment, as a distinct strategy or as part of a national employment strategy	Tier III
9.2.1	Manufacturing value added as a proportion of GDP and per capita	
9.2.2	Manufacturing employment as a proportion of total employment	
9.3.1	Proportion of small-scale industries in total industry value added	
10.1.1	Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population	
10.2.1	Proportion of people living below 50 per cent of median income, by sex, age and persons with disabilities	
10.4.1	Labour share of GDP, comprising wages and social protection transfers	Tier II
10.7.1	Recruitment cost borne by employee as a proportion of yearly income earned in country of destination	Tier III
11.1.1	Proportion of urban population living in slums, informal settlements or inadequate housing	
11.2.1	Proportion of population that has convenient access to public transport, by sex, age and persons with disabilities	
14.c.1	Number of countries making progress in ratifying, accepting and implementing through legal, policy and institutional frameworks, ocean-related instruments that implement international law	Tier III

# Asia-Pacific Employment and Social Outlook 2018:

## Advancing decent work for sustainable development

The *Asia-Pacific Employment and Social Outlook 2018* report pulls together the most recent statistics to take stock of developments in labour markets across the most populous region of the world. Asia and the Pacific stands out as the world's top performer when it comes to economic growth, owing in large part to its dynamic labour markets. Yet despite the plethora of work in the region, work that qualifies as "decent" remains in short supply in many countries.

Acknowledging the commitments made in the 2030 Agenda for Sustainable Development to "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" under Sustainable Development Goal (SDG) 8, special attention is given to assessing the region's prospects to advance decent work for inclusive growth and sustainable development. Where countries in the region fall short in their capacity to expand decent work and hence inclusive growth – as almost all countries do – the report suggests a course of action for advancing on a policy mix that can help to keep decent work front and centre in the development agenda.

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