



International  
Labour  
Organization



# ASIAN DECENT WORK DECADE RESOURCE KIT: SOCIAL PROTECTION, EMPLOYABILITY AND LOCAL DEVELOPMENT

ASIAN  
DECENT WORK  
DECADE 2006  
2015

Regional Office for Asia and the Pacific

**DECENT WORK**

A better world starts here.

2nd  
Edition

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Second edition 2011

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**Asian Decent Work Decade resource kit : social protection, employability and local development for decent work / International Labour Organization, Regional Office for Asia and the Pacific. - 2nd ed. - Bangkok: ILO, 2011**  
**29 p.**

ISBN: 9789221248347; 9789221248354 (web pdf); 9789221248316 (CD-ROM)

International Labour Organization; Regional Office for Asia and the Pacific

local economic development / social protection / employability / role of ILO / Asia / Pacific

03.02.3

*ILO Cataloguing in Publication Data*

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Printed in Thailand

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**ASIAN DECENT WORK DECADE RESOURCE KIT:**

**SOCIAL PROTECTION, EMPLOYABILITY  
AND LOCAL DEVELOPMENT**

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# Abbreviations

ADWD	Asian Decent Work Decade
AIDS	acquired immunodeficiency syndrome
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
HIV	human immunodeficiency virus
ILO	International Labour Organization
IPEC	International Programme on the Elimination of Child Labour
LGU	local government unit (Philippines)
OSH	occupational safety and health
SARS	severe acute respiratory syndrome
SPF	social protection floor
STI	sexually transmitted infection
SYB	Start Your Business
TREE	Training for Rural Economic Empowerment
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNRCO	United Nations Resident Coordinator's Office
WHO	World Health Organization
WIND	Work Improvement for Neighbourhood Development
WISCON	Work Improvement in Small Construction Sites
WISE	Work Improvement for Small Enterprises
WISH	Work Improvement for Safe Home

# Introduction

Representatives of governments and employers' and workers' organizations committed themselves to an Asian Decent Work Decade during the Fourteenth Asian Regional Meeting of the International Labour Organization (2006) – reaffirming their dedication to the goal of full, productive and decent employment for all workers in Asia and the Pacific by 2015.

To inspire constituents' efforts and provide easy access to the rich knowledge, information and services that the ILO offers, the Regional Office in Bangkok developed the *Asian Decent Work Decade Resource Kit*. This booklet is one of six parts to that kit, serving as a gateway into ILO expertise and knowledge on the regional priority area of social protection, employability and local development. It explains in a brief and user-friendly manner why this is a regional priority, the issues it addresses and how the ILO can help its social partners, detailing the available approaches, strategies and tools and possible partnerships. Where applicable, examples of good practices or adaptable projects are included.

If you are reading this as an electronic file on a CD-ROM, you will find hyperlinks to many associated publications, also on the CD-ROM. If your computer is connected to the Internet, you can use other hyperlinks to navigate to web sites. The links are both in the text and in boxes on the side margin marked “click here”.

If you are reading this as a printed booklet, you can access the documentation later by visiting the web sites: [www.ilo.org/asia](http://www.ilo.org/asia) or [www.ilo.org](http://www.ilo.org).

# 1. Poverty and vulnerability in the Asia-Pacific region

Social protection coverage is limited in most developing countries in the region, particularly in rural areas where most people rely on agriculture or casual labour and in urban areas where there is high informal employment, self-employment, underemployment and poverty levels and where people's capacity to pay for services, if available, is limited.

The region's recent economic growth has not always led to improved wages and improved working conditions for many of the two billion working women and men. Unemployment, underemployment, informal employment, job insecurity, poor working conditions and the limited reach of formal social protection remain significant issues in the Asia-Pacific region. In fact, more than one billion workers in Asia – over 60 per cent of the labour force – are classified as being in vulnerable employment.

In South Asia, three of every four workers are classified as “vulnerable”, while in East Asia and South-East Asia, more than half of all workers are vulnerable. Most of these

*In Nepal the substantial increases in inequality across urban and rural areas are, to a large extent, due to very unequal growth. For example, real average per capita expenditures rose by about 30 per cent in Kathmandu but increased only by about 5 per cent in the rural Eastern Hills region. Given that rural areas started out with lower expenditures and incomes, the lower growth rates only served to widen the gaps dramatically. Social and economic inequalities in Nepal also may explain why some districts have been particularly affected by armed conflict. Recent studies showed that a 10 percentage point increase in poverty was associated with 23–25 additional conflict-related deaths.*

workers lack basic social protection against times of economic hardship, unemployment, family illness, disability or old age and, in many cases, experience severe financial obstacles to maintain adequate health.

Despite commendable improvements in some human development indicators, levels of poverty and vulnerability are still worrying in some parts of the region. Vulnerable employment often goes hand-in-hand with poverty. The financial and economic crises of 2008–2009 exacerbated the situation. Unemployment rose, and the number of working poor increased. The number of unemployed reached 93 million.

Two-thirds of the world's poor live in the Asia-Pacific region. More than 900 million workers in Asia live with their families on less than US\$2 per day, with more than 300 million living in extreme poverty, on less than US\$1 per day. Meanwhile, regional

disparities are emerging that never before existed within some countries. The recent global economic crisis undid some of the earlier achievements in reducing poverty and vulnerability. Hardest hit were the “near poor”, those who live on the brink of the vulnerability line, on around US\$2 a day, with limited coping mechanisms. The region now has an estimated 80 million additional vulnerable working poor.

The Asia-Pacific region frequently experiences natural disasters and extreme weather events. It is mostly the poor and vulnerable who are suffering the most from such events. Climate change is likely to further impact on their livelihoods and living conditions.

[Click here for the Asian Development Bank's 2007 report  
Inequality in Asia: Highlights](#)

## 2. Social protection and decent work

International labour standards and the United Nations recognize access to adequate social protection as a basic right. It is also widely considered to be instrumental in promoting human welfare and social consensus on a broad scale and to be indispensable for fair growth, social stability and economic performance and ultimately to competitiveness.

Today, only 20 per cent of the world's population has adequate social security coverage, and more than half lack any coverage at all. They experience dangers in the workplace and have poor or non-existent pension and health insurance coverage.

The situation reflects levels of economic development, with fewer than 10 per cent of workers in the least developed countries covered by social security. In middle-income countries, coverage ranges from 20 to 60 per cent, while in most industrial nations, it is close to 100 per cent.

In the Asia-Pacific region, on average, 70 per cent of the population older than retirement age does not receive any pension, 90 per cent of the unemployed are not receiving

any unemployment benefits, and still more than 40 per cent of health care expenditures are financed by private households' out-of-pocket expenditures.

Safety, health and working conditions in the region span a wide range, from quality that is at par with international standards to the most dangerous and exploitive conditions. Data about the actual conditions exist in most countries for both the formal and informal economies; but in several countries, such information tends to be limited and fragmented.

According to the latest ILO estimates for accidents and diseases, there are globally 2.2 million work-related deaths annually. Moreover, Asian countries have experienced emerging hazards within the past few years, such as SARS, avian influenza and H1N1 influenza, which all have the potential for significant, negative impacts on the workforce and business.

Average HIV prevalence is comparatively low in the region, but there are concentrated epidemics in certain areas and particularly among most-at-risk populations, such as men who have sex with men, sex workers

(and their clients), injecting drug users and in mobile and migrant workers.

Social protection is one of the four strategic objectives of the Decent Work Agenda that define the core work of the ILO. Since its creation in 1919, the ILO has promoted policies and provided its member States with tools and assistance aimed at improving and expanding the coverage of social protection to all groups in society and to improving conditions and safety at work.

*Decent work is recognized as productive work that comes with rights, delivers a fair income, provides social protection and entails the freedom for women and men to organize and to express their concerns.*

[Click here for Decent Work and the Informal Economy, International Labour Conference report, 2002](#)

In the Decent Work Agenda, the ILO set out three objectives reflecting the three major dimensions of social protection:

1. Extending the coverage and effectiveness of social security schemes.
2. Promoting labour protection, which refers to decent conditions of work, including fair wages, working time and occupational safety and health protection, and which are essential components of decent work. The world of work's full potential will be used to respond to the AIDS pandemic, focusing on enhancing tripartite constituents' capacity for prevention.
3. Working through dedicated programmes and activities to protect such vulnerable groups as the working poor, migrant workers and their families and workers in the informal economy.

### 3. Building blocks of social protection

The ILO's strategy for extending social protection follows two complementing and mutually reinforcing dimensions: one that is horizontal and one vertical.

The horizontal dimension is the social protection floor, which guarantees for all populations the availability and accessibility of basic social services.

Basic social services include: health, education, safe water, sanitation, food security and information. Social protection floor interventions aim to increase the supply of services (to make them available to the whole population) as well as provide transfers in cash or in kind to make these services more accessible or to improve the demand conditions.



## Examples of social protection floor interventions

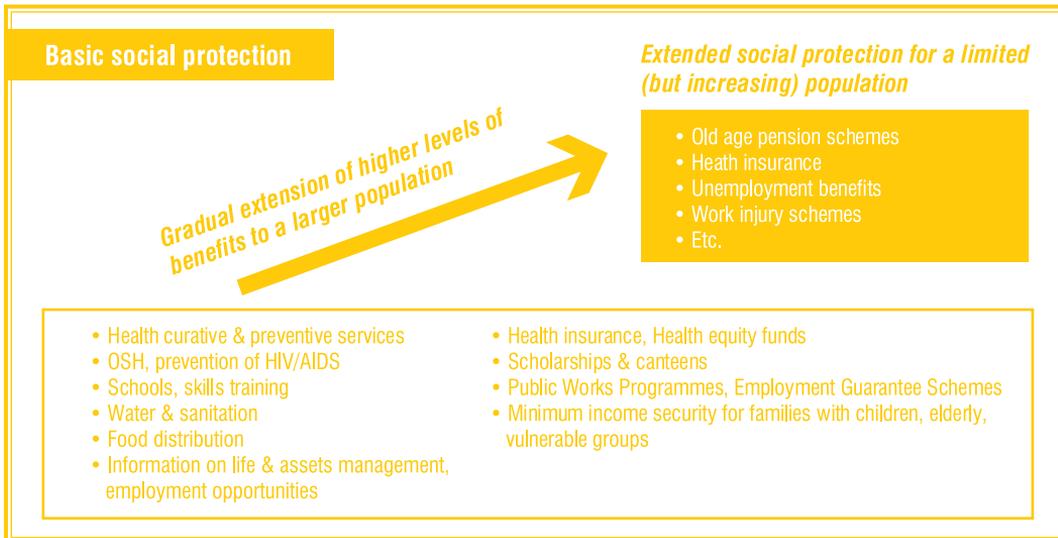
	<b><i>Make services available: increasing the supply</i></b>	<b><i>Make service accessible: increasing the demand</i></b>
<b><i>Health</i></b>	<ul style="list-style-type: none"> <li>• Preventive care</li> <li>• Curative care</li> <li>• Prevention of work injury and occupational diseases</li> <li>• Prevention of HIV infection</li> </ul>	<ul style="list-style-type: none"> <li>• Health insurance</li> <li>• Health vouchers</li> <li>• Health equity funds</li> <li>• Emergency transportation system</li> </ul>
<b><i>Education</i></b>	<ul style="list-style-type: none"> <li>• Primary and secondary schools</li> <li>• Skills training programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Scholarships and other incentives to increase school attendance and/or reduce child labour</li> <li>• School buses</li> </ul>
<b><i>Water, sanitation and food</i></b>	<ul style="list-style-type: none"> <li>• Water (wells) and sanitation infrastructure</li> <li>• Food distribution programmes, school canteens</li> </ul>	<ul style="list-style-type: none"> <li>• Subsidies of the price of basic consumption goods</li> </ul>
<b><i>Information</i></b>	<ul style="list-style-type: none"> <li>• Information on life and asset saving</li> <li>• Information on employment and business opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Internet, email and telephone</li> <li>• Transportation facilities, such as roads and buses</li> </ul>
<b><i>Minimum income security</i></b>		<ul style="list-style-type: none"> <li>• Income (or subsistence) security for all children through child benefits</li> <li>• Income support combined with employment guarantees through public works programmes for the working-age poor who cannot earn sufficient income in the labour market</li> <li>• Income security through basic tax-financed pensions for the old, the disabled and those who have lost the main family breadwinner.</li> </ul>

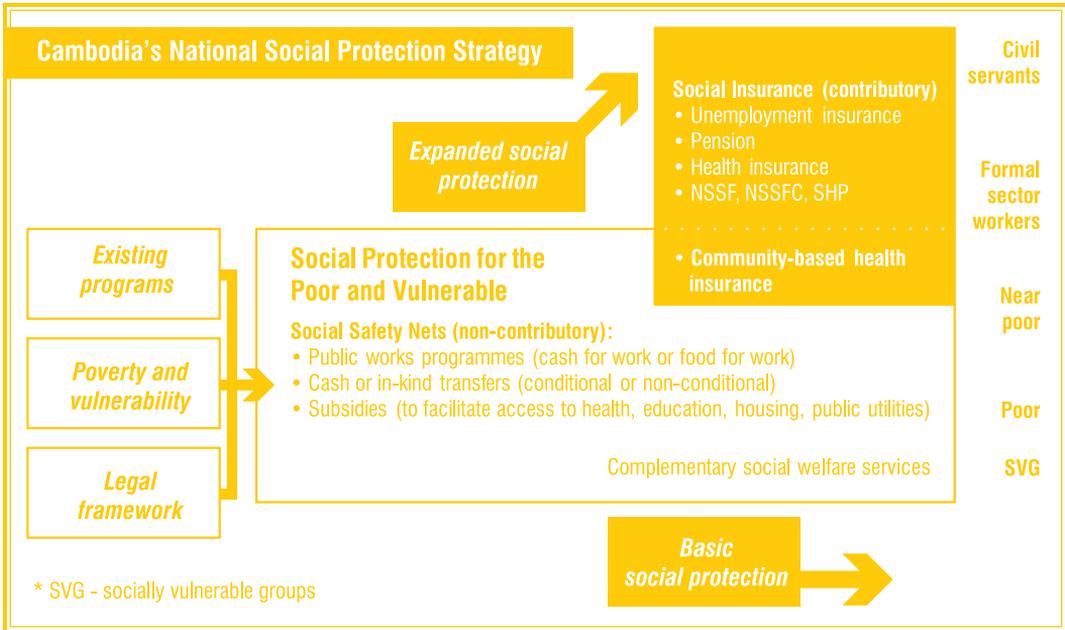
The vertical dimension aims beyond the basic set of social services towards providing higher levels of protection to as many people as possible, as and when the continuing development of the national economy permits. The vertical dimension entails pension, social health insurance, unemployment and employment injury schemes.

The social protection floor is a country's first step in moving towards the progressive development of a consistent and more comprehensive social protection system.

Countries should start with a universal, non-contributory social protection floor (horizontal dimension of extension), upon which additional schemes providing other benefits can be built, particularly for those who can contribute (vertical dimension of extension).

The ILO's social protection building blocks seem to be relevant in most countries in the region - some countries have already "nationalized" the approach and included it in their national social protection strategies, such as in Cambodia with its National Social Protection Strategy and Coordination.





## 4. Social protection floor and enhancing employability

While the social protection floor aims for universal access to basic social services, priority is placed on vulnerable individuals, such as those with low income, incomplete schooling, less work experience or precarious employment. For these individuals, strong support is needed to achieve social inclusion through stable work.

The social protection floor can help remove some of the immediate barriers to labour market inclusion by providing a minimum income for expenses related to job seeking, by providing family benefits to cover child care expenses, by facilitating access to health care services and decent living conditions (housing, food, safe water and sanitation).

A minimum level of education facilitates inclusion in the labour market and increases effectiveness of vocational training and other measures to increase employability of workers. Education performance depends on adequate health and nutritional status, which is connected to the availability of safe water and sanitation and proper housing

infrastructure. Availability and accessibility of the different components of the social protection floor are thus a precondition for building a healthy and productive workforce.

The social protection floor also can be linked to labour market policies. By linking the provision of minimum income support or priority access to basic social services with the fulfilment of certain conditions related to improving employability – for instance, registering in an employment service centre, seeking and accepting jobs, enrolling in vocational training, undertaking work that is beneficial for the community such as workfare – the social protection floor becomes a tool for activating labour market policies and increases the chances of finding longer-term jobs.

**Additional employment services** facilitate further inclusion in the labour market. These include job matching, technical and financial support for business creation, skills development and subsidies and incentives for enterprises to hire workers. Universal access requires that services be provided

throughout a country and be available to all individuals regardless of their income, education, skills or other profile. Yet, to form policies and provide services most effectively, the service delivery must engage subnational levels of the political and administrative structure. While levels of decentralization in the Asia-Pacific region vary from country to country, it is clear that agencies closest to the people can best adapt national policies to specific territorial features.

[Click here for local economic development: approaches, tools and good practices in the Philippines](#)

### ***Decentralization in the Philippines***

*– Throughout the past two decades, decentralization has been instrumental in Philippine legislation and governance. Since the passage of the Local Government Code in 1991 in particular, there has been greater recognition of the role of local government units (LGUs). National and international agencies have made significant efforts to provide LGUs with resources, planning tools, participatory mechanisms and capacity improvements to fulfil their broader mandate and formulate and implement their own development plans.*

# 5. Strategies for social protection and labour market insertion

## Strategies for social protection

The ILO's interventions for extending social protection include a range of activities, in both horizontal and vertical dimensions:

### **a) Supporting the development and implementing of national social protection strategies**

The ILO assists governments and social partners in developing national strategies that extend social protection through stock-taking exercises of the existing situation and coverage gaps and by providing recommendations on ways to gradually expand coverage. The ILO support includes also conducting **social budgeting exercises** that will inform the design of national social protection strategies as well as national discussions on the fiscal space.

### **b) Promoting the social protection floor approach**

In many countries, the ILO promotes the social protection floor approach as

an efficient strategy to provide at least a minimum level of social protection benefits to the whole population.

*In Viet Nam during a high-level discussion on a social protection floor, the Minister of Labour recognized that "...in addition to being relevant in the case of Viet Nam, the social protection floor concept will contribute to facilitate the implementation of the National Social Protection Strategy and make this strategy more efficient".*

The ILO participates also in national task forces on social security and social protection, facilitates social protection floor working groups and One UN teams for increased coordination between development partners and the joint conduct of activities. The social protection floor concept and related activities have been included in the outputs of UN partnership frameworks and plans in Lao People's Democratic Republic, Thailand and Viet Nam.

*In Thailand, the ILO facilitates and leads the UN Social Protection Floor (SPF) team. This team includes UNRCO, UNICEF, UNFPA, WHO, UNESCO and the ILO. The main objective of the SPF Joint Team is to promote a holistic and coherent vision of national social protection systems that progressively tend towards universal basic coverage and, by doing so, contribute to closing the coverage gaps and reducing inequalities.*

### **c) Supporting the design and implementing new schemes in various branches**

New schemes include design of appropriate old-age pensions, unemployment benefits, and health care.

### **d) Providing actuarial and legal advisory services**

Through its Actuarial Service, based in Geneva, the ILO provides advice on the sustainability of existing social security schemes and makes recommendations

for their further development. In various countries, the ILO contributes to the drafting of umbrella laws and regulations as well as amending existing social security legislation and ensuring their implementation.

*In India the ILO is providing technical assistance for reviewing the coverage of maternity protection through existing schemes that ultimately will inform recommendations for amending the Maternity Benefits Act.*

*In Mongolia since late 2009, the Government has been reviewing pensions and assessing the social security legislative framework for the purpose of eventually ratifying the Social Security (Minimum Standards) Convention, 1952 (No. 102).*

*In Nepal, the tripartite constituents agreed on the need for appropriate mechanisms to protect workers and their families from the insecurities associated with flexibility. The Government, with ILO assistance, then developed a Draft Unemployment Insurance Law and a Draft National Social Security Organization Law.*

# Strategies for promoting occupational safety and health

The ILO's strategy for promoting occupational safety and health (OSH) consists of developing national frameworks for improving the OSH conditions complemented by practical programmes and activities that bring about immediate workplace changes to a wide range of target groups. These include micro, small and medium enterprises, farmers and construction workers and those in the informal economy who operate in homes and are unreached by the formal labour advisory system.

*The Government of Pakistan adopted the Labour Protection Policy and the Labour Inspection Policy in 2005 and 2006, respectively, while the National Policy on Safety, Health and Environment at Work Places was declared in India in 2009. Bangladesh is in the process of developing its national policy. All three policies are accompanied by an outline for action programme, with a substantive contribution from social partners.*

The ILO also helps governments in revitalizing and strengthening existing national OSH systems. A national OSH system consists of laws, compliance systems (including advocacy, information and training), capacity building and training programmes for labour advisory bodies, creation of tripartite advisory bodies dedicated to OSH issues and OSH mechanisms at the workplace. The latter includes risk-assessment processes and safety and health committees.

National OSH programmes in the region have common important goals: i) build clear OSH legal frameworks for workers and employers; ii) improve law compliance and performance of enforcement; iii) establish practical workplace OSH mechanisms (OSH management systems approaches, safety officers, active safety and health committees, etc.); iv) organize special programmes to address construction, mining and other hazardous occupations; v) reinforce reporting systems for occupational accidents and diseases; and vi) extend OSH protection to small enterprises, informal economy workplaces and rural sectors.

National OSH programmes benefit with inputs from ministries and workers' and employers' organizations before endorsement by high-level government officials. The consultative exercises involved

*In the Asia-Pacific region, countries are active in or considering how to strengthen their national OSH system:*

- *New overarching OSH legislation that will eventually cover all workplaces is under development in Nepal, Pakistan and Sri Lanka.*
- *China places a high priority on addressing OSH in the coal-mining sector and strengthening national laws and enforcement systems.*
- *In 2008, the Government of Bangladesh constituted the tripartite Industrial Safety and Health Council.*
- *In South-East Asia, Malaysia continues to promote the “self-regulation” concept adopted in the Occupational Safety and Health Act, 1994, to further improve national OSH performance. Singapore looks for “OSH best practices” at the enterprise level and disseminates them to other businesses to share the benefits of good safety and health performance.*
- *ASEAN-OSHNET strengthened its collaborative actions and promoted exchanging **OSH good practices at the national policy level.***

in designing OSH programmes further open up practical opportunities for different ministries and workers’ and employers’ organizations to work together.

To complement longer-term, policy-oriented approaches, the ILO promotes initiatives for improving OSH and working conditions among micro, small and medium enterprises and in the informal economy.

The ILO offers participatory training materials, such as checklists or good practice sheets that can easily be integrated into work routines. Tools such as WIND (against risks in agricultural activities), WISH (against risks in home-based activities), WISCON (against risks on construction sites) and WISE (for small enterprises) provide easy techniques to prevent accidents and illnesses.

*Cambodia and Mongolia intend to strengthen their OSH services for informal economy workplaces by using the WIND approach and participatory, action-oriented training programmes. Existing networks of governments, workers' and employers' organizations and NGOs have been mobilized to reach more informal economy workplaces. Viet Nam established a unique OSH protection system for farmers, training many farmer OSH volunteers who then trained their neighbouring farmers by using easy-to-apply, participatory training tools. WIND in India assists a microfinance institution in addressing OSH issues as part of its loan packages under the Microfinance for Decent Work programme.*

[Click here for Work Improvement in Neighbourhood Development \(WIND\)](#)

Apart from changes and rapid improvements within micro, small and medium enterprises and the informal economy, the initiatives have or are expected to provide valuable contributions to national (or state)-level initiatives. WIND also facilitates the sharing of experience across Asia and strengthens the resource base for training.

[Click here for experiences in Asia and the Pacific in implementing WIND](#)



The Government of Viet Nam incorporated the WIND programme into its national OSH programme and trained many WIND farmer volunteers, who then trained their neighbours on how to prevent accidents and diseases. With the national policy support and the strengthened people's networks, these practical activities are gradually expanding to reach more farmers. ©ILO.

## Strategies for reaching workers at risk: HIV prevention through the workplace

The basis for ILO work on HIV/AIDS is the pioneering Code of Practice on HIV and AIDS and the world of work. Developed in 2001, the Code provides the framework for HIV and AIDS workplace policies and programmes and has been translated into 58 languages and has had a major influence on national and enterprise level policies throughout the world.

*Principles of the ILO Code of Practice on HIV and AIDS and the world of work:*

- *recognition of HIV and AIDS as a workplace issue;*
- *non-discrimination;*
- *gender equality;*
- *healthy work environment;*
- *dialogue between employers, workers and government, including workers with HIV;*
- *no screening for purposes of exclusion from employment or work process;*
- *confidentiality;*
- *continuation of employment relationship for employees with HIV and AIDS;*
- *importance of prevention; and*
- *need for care and support, including provision of or referral to treatment.*

In June 2010, the ILO Governing Body adopted ILO Recommendation No. 200 on HIV and AIDS and the World of Work.

Recommendation No. 200 is the first international legal human rights instruments on HIV and AIDS in the workplace. The standard updates the Code of Practice by calling for the provision of treatment, care and support for workers and their dependants.

### **Workplace HIV and AIDS programmes**

The ILO contributes to prevention, treatment and care through workplace programmes that target vulnerable groups in the region. Workplace programmes use a combination of approaches to support behaviour change, providing information and education, making male and female condoms available and facilitating access to care, support and treatment. These programmes benefit workers, families and often reach into communities.

The ILO approach consists of:

- developing and implementing national and workplace policies to protect rights in line with the ILO labour standard on HIV and AIDS in the workplace (Recommendation No. 200);

[Click here for ILO's Know More About HIV and AIDS: A Toolkit for Workers in the Informal Economy](#)

- building capacity of government and employers' and workers' organizations as well as non-government organizations to deliver programmes;
- carrying out comprehensive workplace prevention in vulnerable economic sectors that link to health services (testing, treatment and care); and

- increasing access to social protection schemes.

The ILO further helps governments and workplaces create policies and communication programmes to protect the rights of workers to privacy, confidentiality, job security and non-discrimination. Policies are complemented with prevention education to promote change in attitudes and behaviour.

*Click here for report on HIV and AIDS Related Employment Discrimination in China, 2010*



One fifth of all Cambodian women workers are employed in garment manufacturing in Phnom Penh. These women are generally young, come from poor rural backgrounds and often send the bulk of their earnings home to support other family members. Many garment factory workers exchange sex for money to supplement their income; for example, 94 per cent of sexually active factory workers report receiving gifts or money in exchange for providing sex. ©ILO.

### Young women in Cambodia's garment sector

The global economic crisis resulted in the closure of many Cambodian garment factories and an estimated 21,000 garment workers migrated to the sex industry in the second half of 2009. A great majority of these young women workers had not received any comprehensive HIV prevention information, and they have no mechanism within their workplaces to demand changes to protect their health and well-being. To address the situation, the ILO established workplace programmes for sexual and reproductive health and HIV/STI prevention for all workers. Additionally, the ILO is working with entertainment sector trade unions to address the vulnerabilities of those workers by advocating for improved labour protection, occupational safety and reproductive health services for these women.

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# Public employment creation programmes

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## Public employment for the poor and vulnerable

Employment-generating programmes are one form of a social safety net for the poor and vulnerable used in several low- and middle-income countries in the region. Payments are typically in return for unskilled or semi-skilled work in a public employment programme. Such interventions are often set up in response to chronic levels of unemployment, underemployment and associated poverty or as short-term programmes to alleviate the acute effects of a crisis on the livelihoods of the poorest and most vulnerable.

Employment-generating programmes are often related to infrastructure development, which is a key component of national and local development strategies. Infrastructure can be built in many ways. The ILO promotes the use of local resource-based methods. The ILO's Employment Intensive Investment Programme has proven that combining local participation in planning with locally available labour, skills, technology, materials and appropriate work methods is an effective strategy for pro-poor economic

and social development. Local resource-based infrastructure generates income that remains within the community and provides an often-untapped potential for creating jobs. Producing good-quality and sustainable assets is an equally important objective in the ILO's work.

The approach to local resource-based infrastructure development includes:

- participatory planning to identify infrastructure needs at the community level; [Click here for the manual on Building Rural Roads](#)
- the use of labour-based technologies that optimize opportunities for employment, and maintain cost competitiveness and acceptable engineering quality standards;
- small-scale and community contracting that allows small contractors and community groups to develop their skills for building and maintaining rural infrastructure; and
- using local materials and tools as much as possible to support the local economy and create job opportunities for local enterprises rather than importing construction materials from far away.

The long-term sustainability of the approaches depends on the Employment-Intensive Investment Programme's ability to influence national investment policies

and provide collaborating partners with the means to implement them. The regional activities are thus related to the production of publications, guidelines and manuals, networking and participation in international networks and forums.

In various countries, local governments, small-scale contractors and communities are trained to use employment-intensive strategies for local infrastructure development and public works.

Responsibilities for public works have been decentralized in Asia and the Pacific, and it is at the local level where the employment potential of these investments can be realized. Indonesia is a good example of introducing employment-intensive public works locally. The ILO has demonstrated since 2006 the competitiveness and advantages of labour-based and local resource-based approaches in rehabilitating rural roads in districts affected by the 2004 tsunami.

*An ILO study (2009) in Indonesia found that employment-intensive methods introduced in response to the 2004 tsunami had the following advantages:*

- *more scope for labour-based approaches to create more employment opportunities and promoted the employment of local labourers, including women (about 2,200 workdays per kilometre rural road with 30–35 per cent female workers);*
- *cost-effectively integrated “hands-on” capacity-building activities for the public works department and contractors’ staff; increased delivery capacities of the public and private sectors for investments in infrastructure;*
- *actively involved beneficiaries in the planning and implementing processes;*
- *increased cost-effectiveness (10–15 per cent) of the investments (at same or higher construction standard);*
- *promoted the local economy through increased cash transfers; and*
- *introduced effective and inexpensive, community-based, routine maintenance systems that have the potential to create additional employment.*

## Public employment as crisis response

The Asia-Pacific region is prone to crises of all sorts. A crisis impacts on people's lives and livelihoods. A major crisis often results in deeper and increased poverty as it pushes vulnerable groups (further) below the poverty line. The ILO has been active across the region in efforts to respond to crises and natural disasters and enable the poor to regain their livelihoods. Equally, the ILO is now active in the area of climate change adaptation and mitigation.

In response to natural and human-made disasters, the ILO developed an operational framework for the transition from emergency relief to local economic development. Immediately after a crisis, when the conditions call for a gradual shift from humanitarian assistance to the reintegration of affected populations and restoring livelihoods, the framework applies interventions for economic recovery that lay the foundation for longer-term local development strategies.

### *Examples of recent ILO crises responses:*

- *Economic crisis – In response to the global economic crisis (2009), for example, various countries in the region introduced economic stimulus packages that included public works. In Indonesia, the ILO collaborated with national partners to integrate employment-intensive strategies into the stimulus package. In Cambodia, the ILO helped in forming a national social safety net strategy that included public works, conditional cash transfers and education (and thus supported protection against child labour).*
- *Tsunami – The Asia-Pacific region is prone to many types of natural disasters that require a rapid response. One of the most devastating in recent decades was the 2004 tsunami. In Sri Lanka, the ILO supported community-based training and value-chain programmes that assisted over 300,000 people and contributed to the placement of 3,000 people in gainful employment in the Eastern Province; the ILO also worked with the United Nations Office for Project Services on a joint Integrated Rural Accessibility Project. In Indonesia, the ILO contributed to the tsunami response in Aceh and Nias, which included emergency employment services, roads and infrastructure rehabilitation, women's entrepreneurship development, child labour and skills training activities and child-labour protection.*

- *Flooding and cyclones – One the most frequent natural disasters in the region is flooding. In the Philippines, following the 2009 flooding in Manila and the surrounding provinces, the ILO assisted the Department of Labor and Employment with cash-for-work projects for clean-up operations in submerged areas. In India in response to the 2008 Bihar flooding, the ILO worked with district administrations to help flood-affected families through income generation in dairy production, handicrafts, weaving and other small-scale industries. Another regular source of risk is cyclones. In Bangladesh following cyclone SIDR in 2007, the ILO worked with the Food and Agriculture Organization and the World Bank on joint assessments of the impact and the possibilities for reconstruction. In Myanmar following cyclone Nargis in 2008, the ILO introduced employment-intensive strategies to reconstruct village infrastructure.*
- *Armed conflict – Several countries in the Asia-Pacific region have also suffered from armed conflict. In Timor-Leste and as a response to a period of civil unrest, the ILO implemented cash-for-work programmes providing jobs to more than 46,000 beneficiaries. Following the end of the civil war in Sri Lanka, the ILO provided technical coordination and took the lead within livelihood recovery, nationally and locally, as well as coordinated the development of the Framework Proposal for Excombatants. In Nepal, the ILO implemented a Jobs-for-Peace project that creates employment opportunities for conflict-affected youth. In Afghanistan, the ILO supported Employment Service Centres that provide rehabilitation services to excombatants.*
- *Response to pandemic influenza (H1N1) – The relentless spread of H1N1 prompted worldwide concern; its quick propagation threatened to take a high toll on the world of work. The ILO worked with the World Health Organization and other UN agencies to address the pandemic crisis. ILO actions focused on direct assistance to small enterprises to protect their employees and keep their businesses running. Participatory, action-oriented training materials for influenza prevention at the workplace were developed, based on ILO's WISE programme experiences, and widely applied in Cambodia, Indonesia, Malaysia, Thailand and Viet Nam. In cooperation with workers' and employers' organizations as well as government agencies, a network of workplace influenza trainers was developed for wider training coverage.*

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## Local strategies for social protection and labour market integration

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Subnational levels of governance must be engaged in order to craft policies and deliver services most effectively to the target groups, especially the poor and vulnerable. Working within local governance systems and with local stakeholders is a critical factor for achieving social protection and improved employability.

Local governments have become crucial agents in the socio-economic development of their citizens, with responsibilities being devolved and shared with subnational authorities in many countries in the Asia-Pacific region. Mandates linked to decent work are not expressly stated in the range of subnational powers, but these can be gleaned from functions having to do with planning and development, business permits and licensing, public employment, occupational health promotion, the extension of social health insurance and the village justice system, which mediates conflicts of various types. Local councils related to education, health, housing and economic policy, including local tripartite relations, may exist also in various countries.

The ILO contributes to local development by building up capacity for effective policy-making and planning in areas relevant to decent work. This includes promoting stakeholder dialogue to raise awareness of local development processes and the potential for advancing social and economic development. A range of issues are pertinent at the local level, including persistent poverty, poor health, loss of jobs due to closure of industries, youth unemployment, crime and violence or the absence of social protection. The ILO also encourages a forum or public-private platform that can sustain dialogue. For territories with institutional structures for dialogue and civic participation, the preferred route would be to build the capacities of existing local councils for policy-making, planning, budgeting and monitoring. For territories with no such legislated structures, this may involve creating a local economic platform or local economic development agency, which, however, must be subject to institutionalizing at a later stage.

Local development initiatives often start with an examination of the area's economic and social problems as well its strengths and competitive advantages. This will include assessing the human, natural, economic and institutional resources, the results of which can then feed into creating

a local development strategy. The ILO provides technical assistance in carrying out territorial diagnosis by providing expertise, tools and methodologies. Through a shared process of data collection and identifying opportunities and obstacles, participants develop ideas and concrete plans about what can be done – and how and when.

An increasingly important part of the territorial diagnosis and stakeholder mapping is the selection of priority sectors for value-chain development, based on their potential employment impacts. For the ILO, it is crucial that issues related to decent work are deliberated alongside local economic development. Its value-chain development initiatives are also pursued as a way to promote decent work in the jobs created and economic relationships fostered. Workers and employers must be engaged in local processes so that their

interests are voiced in investment decisions, sector prioritizing and other areas of policy-making at the subnational level.

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## Local strategies for social protection and employability

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Employment policies represent what a local government unit would like to achieve in terms of utilizing labour and are the basis for many employment-related programmes. These would include the following areas:

### Social protection

Local authorities have an interest in social protection because it helps to maintain, preserve and expand the quality of

[Click here for Philippines LED story – Tripartism for Local Growth](#)

*The ILO project Youth Employment through Local Economic Development in Quang Nam province, Viet Nam, funded by the One UN Fund, applied the ILO guidelines for value-chain development, which involves a participatory assessment of constraints and opportunities. Through a number of workshops and interviews with value-chain actors, the project mobilized a high degree of local involvement within both the public and private sectors in arriving at an intervention plan. For the rattan sector, the intervention strategy involves stabilizing the rattan supply through responsible planting, processing by collectors to minimize deterioration, expanding the market base and improving work conditions and wages.*

[Click here for Value Chain Development for Decent Work: A Guide for Development Practitioners, Government and Private Sector Initiatives](#)

[Click here for An Operational Guide to Local Value Chain Development](#)

employment already existing in their localities. LGUs must prevent a downward spiral of living and working conditions, which will affect productivity, local investment and the quality of life. Relevant measures include effective delivery of basic services, health promotion (including occupational health), extension of health insurance, and tripartite dialogue towards industrial peace at the local level.

## Employment services

Essential employment services are often made available at the local level because

general policies need to be adapted to specific territorial features. Training in basic competence and job requisites also need to adapt to local opportunities, which requires close contact with enterprises to learn of vacancies and business opportunities. Decentralizing employment services allows responsiveness to local opportunities.

The ILO supports capacity building in the designing and implementing of employment services, such as:

- job centres that provide job search assistance, career counselling and guidance;

*Extending social health insurance at the local level. Under the Sponsored Programme of the Philippine Health Insurance (Philhealth), local governments support the coverage of the poorest 25 per cent with health insurance by providing counterpart contribution, together with the Government. In 2000, the Pasay City government signed a memorandum of agreement with PhilHealth to begin the programme to recruit initially only 2,000 households. By 2007, over 19,000 households were enrolled in the Sponsored Program in Pasay City.*

*Providing occupational health services in primary health units. Partnering with Thailand's Ministry of Public Health, the ILO is assisting in developing the capacity of primary health care units to address occupational conditions of small workplaces, including those in the informal economy. Initiatives include recording occupation-related accidents or diseases at the health centre, providing OSH advice to patients, deploying mobile units to local villages for risk assessments, setting up surveillance systems to document and monitor work-related illnesses, providing workshops with protective equipment and launching educational programmes. Today the majority of Thailand's public health units are trained in OSH and are advising farmers, homeworkers and households who are typically out of the reach of the national labour protective system.*

- skills development towards meeting the need of the labour market; and
- technical support for starting business ventures, self-employment and independent activities.

The ILO recognizes that, in many countries, employment and decent work needs are greatest in rural and poor communities. Thus, the ILO developed a tool called Training for Rural Economic Empowerment (TREE). TREE uses a demand-driven training approach that builds upon a locality's existing knowledge base. It provides tools for a shared process of identifying potential income-generating opportunities, determining necessary training requirements and designing appropriate interventions – all implemented locally and within reach of the targeted groups.

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## Local strategies for employment creation

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Local governments are instrumental in creating an enabling environment for local investment. The traditional approach has been for local governments to create master plans for five or ten years, develop

*The Government of Pakistan adopted ILO's TREE methodology for its skills development programme. With funding and collaboration from the United Nations Development Programme, the TREE project constitutes part of the initial preparatory assistance phase to the prime minister's skills development programme, which is designed to provide skills to 300,000 young women and men. With technical advice and support from the TREE project, the Government is now better able to assess the ability of training institutions to plan, design and implement short-cycle skills courses that are linked to specific economic opportunities. The ILO is also helping improve the capacity of project partners to plan, design and deliver short-course curricula and develop measures of quality, including skills and training standards. The TREE project is focusing on 80 selected training institutions that will train some 25,000 students.*

infrastructure and rely on the decisions of private investors to establish commercial projects, regulated by public standards. In the context of decentralization, economic development – and with it, employment promotion – has become a growing

concern of subnational authorities. Local authorities now have increased powers and responsibility to develop direct and indirect employment-creation policies.

## **Employment creation through enabling policies**

The ILO provides technical assistance to policy-makers, local governments and partner organizations as well as the specific tools and training programmes for interventions, such as assessing enabling environments, value-chain promotion, enterprise development and skills training.

- The ILO has been a strong advocate for developing enabling environments for enterprises and economic activities. The ease with which enterprises acquire legal form translates into access to the range of legal protection available to entrepreneurs and their workers. It also influences whether businesses can take root and flourish. The ILO has worked with governments in finding ways to reduce bureaucratic “red tape” and create an appropriate local legal and regulatory environment.
- The ILO promotes the creation of sustainable enterprises in sectors that show long-term potential for growth and employment. A sustainable enterprise

(of any size or type) aims to be viable and to earn profits and will always be looking for ways to raise productivity and ensure decent working conditions. Promoting sustainable enterprises in the Asia-Pacific region is outlined in more detail in another booklet on competitiveness, productivity and jobs within this ADWD resource kit.

- The ILO assists providers of business development services in offering quality services in the formal and informal economies. Such services may include training, consultancy and advisory services, marketing assistance, information technology support, business link promotion and links to financial services. A number of programmes and approaches have been successfully implemented and continue to evolve. These include [Start and Improve Your Business, Know About Business](#) and [Expand Your Business](#). The ILO pays special attention to marginalized and disadvantaged groups, such as people with disabilities and indigenous and tribal peoples, or specific target groups, such as youth or women.
- Private-sector development depends on ready access to financial services. Micro and small entrepreneurs, however, often

The ILO's programme on women entrepreneurship addresses gender imbalances in enterprise development through tools and training packages, such as *GET Ahead for Women in Enterprise*. *GET Ahead* is targeted at women in poverty who want to start or are already engaged in a small-scale business. It shows women how to develop their entrepreneurial spirit and obtain support through relevant groups, networks and institutions.

### Impact of the ILO's programme on women entrepreneurship in Lao PDR

	Before programme	After programme
Business actively engaged in marketing	15%	40%
Business engaged in formal bookkeeping	22%	38%
Monthly sales	\$490	\$2,150
Monthly profits	\$180	\$270
Businesses providing full-time employment	12%	19%

cannot obtain commercial bank loans because they lack physical collateral and are thus perceived as risky clients. A local development process often includes an assessment of the demand and supply of financial services. On the basis of this assessment, the strategy would identify ways to improve access.

The ILO provides tools and approaches to reduce lending risks, such as guaranteed funds, mutual-guarantee associations and micro leasing. It also can help financial service providers broaden their array of services, including savings facilities, money transfer services and insurance products.

[Click here for Leasing for Small and Micro Enterprises](#)

### Direct employment creation policies

The ILO assists in the planning and development of employment-intensive infrastructure that supports local development and enables a swift crisis response. Infrastructure, such as access roads, basic facilities and irrigation, is a critical factor for achieving decent living and working conditions, accessing productive markets and increasing productivity. It is often an integral part of a local development strategy. The ILO promotes infrastructure development in a way that uses and upgrades local employment, meets basic and priority needs, enhances work conditions and links to market opportunities.

*An ILO livelihood recovery project supported micro enterprises in Meuraxa, a tsunami-devastated area of Banda Aceh, Indonesia. Micro enterprises are traditionally located in or near houses, so a home-based business programme provided physical productive spaces, which are annexed to UN-HABITAT shelters. The ILO enabled access to the local Islamic financial cooperative, Baitul Quirad Baiturrahman, which it supported through capacity improvement, onsite technical assistance and a micro-leasing product. Commercial loans were, however, conditional on the beneficiaries receiving business management training. The reconstruction of the local market, a project proposed by the local population, revitalized the local economy so that community members felt more confident about requesting loans to expand their businesses.*

[Click here for LED story Indonesia – Reviving the Community Spirit](#)

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## From local to national levels

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Local governments, organizations and communities are the key players in making local development for decent work a reality. However, their efforts do not take place in isolation. Local development processes must inform and are linked to national strategies and policies. Local implementing processes give fruition to national goals and programmes. National policies should support local mandates and capacity building and be crafted in a way that

is cognizant of their impacts – positive or otherwise – on local economies and protection needs.

For effective development, local stakeholders need to represent their interests at the national level and to advocate for support and change. They also need to direct attention to national policies affecting local development while building local capacity.

*The Employment Promotion Law in China includes local economic development as a strategy for creating employment and it envisages a strong role for local governments. It encourages localities to provide employment opportunities in rural areas so that people can find jobs in or near where they live.*

*The ILO's current work builds on lessons learned in a fascinating cross-section of economic, social and political settings in localities in Africa, Latin America, Europe, Asia and the Pacific. Case studies and good practices are available to show what worked and what failed. They are presented as short stories highlighting different aspects of the ILO approach to local economic development. They are also studied and discussed in workshops and seminars.*

[Click here for local economic development stories](#)

