

Unemployment Protection in Asia-Pacific

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Agenda

- Unemployment Protection Throughout the World
- Unemployment Rates for Asian Countries
- International Labour Organization (ILO) Conventions
- Unemployment Protection Programs in Asia-Pacific – existing and proposed
- Advantages and Disadvantages of Various Unemployment Protection Schemes
- Options to improve unemployment protection schemes
- Further Issues on unemployment protection:
 - Informal Economy
 - Obstacles faced by women and youth to benefit from unemployment protection schemes

Unemployment Protection throughout the World

- Information Available: **201** countries
- Unemployment Scheme anchored in national legislation: **89** countries (44%)
- Periodic cash benefits - **85** countries (95%)
 - Social Insurance (Mandatory): **73** countries (86%)
 - Subsidized Voluntary Insurance: **3** countries (4%)
 - Mandatory individual savings accounts: **1** country (1%)
 - Only Social Assistance or Employment Guarantee Scheme: **7** countries (8%)
 - Only Mandatory individual savings accounts (periodic) - **1** country (1%)

Unemployment Rates for Asian Countries

Table 2 - Unemployment Rate Statistics of Selected Asian Countries					
Country	Rank*	Unemployment Rates (estimated 2013)			
		Total (%)	Male (%)	Female (%)	Youth (15-24) (%)
China	1	4.6	5.2	3.8	n/a
India	2	3.6	3.5	4.0	10.7
Indonesia	5	6.3	5.6	7.3	22.2
Japan	11	4.0	4.3	3.7	7.9
Philippines	13	7.2	7.2	6.9	16.3
Viet Nam	15	3.1	1.8	2.2	5.5
Thailand	21	0.7	0.8	0.7	2.8
Myanmar	25	3.4	3.1	3.7	n/a
South Korea	27	3.1	3.3	2.8	9.0
Malaysia	44	3.2	3.1	3.1	10.3
Taiwan	52	3.8	n/a	n/a	n/a
Cambodia	69	0.3	0.3	0.3	N/A
Singapore	116	2.8	2.6	3.0	6.7

^[1] World Bank.2013c: Data on Unemployment Rates: available at: <http://data.worldbank.org/indicator/SL.UEM.TOTL.ZS/countries>

ILO Conventions

- Convention 102 (1952): Social Security (Minimum Standards) Convention
- Convention 168 (1988): Employment Promotion and Protection against Unemployment (also Recommendation 176)
- The flagship of all ILO social security Conventions – only international instrument for all nine branches of social security;
- Sets higher standards regarding unemployment benefits mainly but not only applicable to industrialized countries.

Unemployment Protection Programs in Asia-Pacific

1. Mandatory Unemployment Insurance Schemes - China (1986), Japan (1947), Taiwan (1999), Republic of Korea (1995), Thailand (2004), Bahrain (2006) and Viet Nam (2009);
2. Unemployment Savings Schemes – Jordan (2011);
3. Severance Payment Programs;
4. Non-Contributory Programs – for those who are economically active but not in formal employment (in the informal economy), the working poor in formal employment and the long-term unemployed;
5. Programs provided by non-government agencies and social assistance.

Mandatory Unemployment Insurance Schemes -1

- Need to have clear idea of what should be achieved by adopting a UI scheme, accompanied by a realistic view of the limits of such an instrument; no UI scheme can solve the unemployment problems of a country even if it's well designed and with Active Labour Market Policies;
- Main objective for UI: to provide temporary partial income replacement to qualified insured workers who have lost their job while they seek to obtain new employment;
- All UI schemes are unique and have different characteristics in the design of diverse elements; need for stakeholders in each country to develop their own design based on national priorities, their national economy, labour market and unemployment situation.

Job Unemployment Insurance Schemes – 2

It unemploys workers and their families, employers and society at large:

Workers and families: avoid poverty and financial difficulties and more difficulty finding a job that is suitable;

Productivity gains in hiring someone with the right skill set and easier to be affected by UI scheme; work sharing very popular to avoid layoffs and

It brings economic stabilization during recessions and higher tax

Social stability leading to reduced unrest, protests and crime.

Some feel moral hazard is an issue with UI schemes (as unemployed persons may not do enough to search for a job or may not turn down job offers) but others feel this is overblown.

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https://www.yunbaogao.cn/report/index/report?reportId=5_4042

