

4 Using skills effectively in work and society in Southeast Asia

The effective use of skills in workplaces and society is important for a country's economic prosperity, social cohesion and people's overall well-being. The full and effective use of skills can help raise productivity and innovation for businesses and help increase wages and job satisfaction for employees. This chapter examines the importance of using people's skills more effectively and how this could support Southeast Asian countries in achieving sustainable and inclusive growth and social well-being. It explores three opportunities for Southeast Asian countries to use the skills of their people more effectively: 1) promoting participation in the formal labour market; 2) making intensive use of skills in work and society; and 3) increasing demand for higher-level skills.

The importance of using skills effectively in work and society

The degree to which skills are used in both the economy and society has significant implications for individuals, firms and countries. For individuals, the greater use of skills in work and society is associated with higher wages, higher job satisfaction, higher level of trust, strong political efficacy and better health (OECD, 2012^[1]). For firms, better skills use is associated with higher productivity, higher profits and lower staff turnover. At the country level, it is associated with more inclusive economic growth and greater social cohesion (OECD, 2019^[2]).

While developing people's skills is an important first step, skills development policies will only achieve their desired benefits if they are accompanied by simultaneous actions to boost the demand for, and effective use of, skills. Therefore, it is important to adopt policies and practices to make the most of the available skills supply to spur innovation, productivity and growth, and strengthen social cohesion. Indeed, the failure to fully use skills could result in a waste of the initial investment in the development of skills and the depreciation and obsolescence of those skills that are left underutilised (OECD, 2019^[2]).

Southeast Asian countries have experienced remarkable economic growth and a rise in living standards over past decades, supported, among others, by governments' efforts to make effective use of people's skills in work and society. Governments have improved the delivery of public employment services (PES) to respond better to the needs of labour markets, provide transitional support for job seekers and facilitate international mobility and employment. Some Southeast Asian countries promote volunteering in schools to encourage civic engagement and the use of skills in society among students. In addition, efforts were made in many countries to promote entrepreneurship and innovation through increased research and development (R&D) spending, tax incentives for R&D and education-industry partnerships, thereby increasing demand for higher-level skills.

Yet numerous challenges remain to use skills fully and effectively in work and society. These challenges include high barriers for disadvantaged groups, such as women, youth and migrants, to participate in the formal labour market. A challenge is the size of the informal labour market, which is large in many Southeast Asian countries. High-performance workplace practices (HPWPs), which can raise skills use at work and overall productivity levels, are not yet widely adopted and are lacking in small- and medium-sized enterprises (SMEs). Levels of innovation and entrepreneurial activities in Southeast Asian countries are behind that of OECD countries. In addition, across Southeast Asian countries, overall awareness, and information about civic engagement opportunities, such as volunteering, are relatively low.

Given these challenges, this chapter aims to suggest future directions for Southeast Asia's policies for skills use based on an analysis of the current performance of the region. It starts with an overview of the current governance arrangements for policies related to skills use and an assessment of Southeast Asian countries' performance on key indicators of skills use. Building on this assessment, the chapter then presents three opportunities for the region to use skills effectively in work and society: 1) promoting participation in the formal labour market; 2) making intensive use of skills in work and society; and 3) increasing demand for higher-level skills. Each opportunity addresses the region's current challenges and proposes concrete, evidence-based policy recommendations.

Summary of recommendations

The policy recommendations presented throughout this chapter are summarised as follows.

Summary of policy recommendations for Southeast Asia to use skills effectively in work and society

Opportunity 1: Promoting participation in the formal labour market

Reducing barriers to employment for disadvantaged groups

- 2.1. Facilitate women's participation in the labour market through the promotion of a more equitable distribution of housework and encouraging flexible work arrangements
- 2.2. Support youth employment through tailored and online employment services
- 2.3. Enhance migrant employment possibilities through job search support, legal counselling and language training from specialised institutions for migrants

Facilitating the transition of workers from the informal to the formal labour market

- 2.4. Facilitate the registration of workers and businesses by making online business registration platforms more user-friendly and simplifying registration procedures
- 2.5. Improve the effectiveness and efficiency of labour inspection by adopting new technologies to ease the verification of workers' employment status

Opportunity 2: Making intensive use of skills in work and society

Promoting skills use in the workplace through the greater adoption of high-performance workplace practices

- 2.6. Create a single portal in each country to efficiently disseminate comprehensive information on high-performance workplace practices to firms, especially SMEs
- 2.7. Improve the managerial skills in SMEs by providing networking and mentoring opportunities

Promoting skills use in everyday life through civic engagement and leisure activities

- 2.8. Make volunteering activities available as part of the school curricula to encourage young people to contribute their skills to society from an early age
- 2.9. Raise awareness about the benefits of using skills in society and personal life
- 2.10. Provide financial incentives to encourage adults to use skills in civil society

Opportunity 3: Increasing demand for higher-level skills

Promoting innovation to increase demand for high-level skills

- 2.11. Increase expenditure on research and development through direct grant support and tax incentives
- 2.12. Foster collaboration between institutions of higher education and industry

Fostering entrepreneurship

- 2.13. Improve access to finance for female entrepreneurs by providing targeted financial services combined with financial training
- 2.14. Facilitate the transfer of entrepreneurial knowledge and skills to women by supporting unions for female workers and business associations for women

Overview and performance

Overview of Southeast Asia’s governance arrangements for using skills effectively

Given the many factors that directly or indirectly affect skills use in work and society, a broad range of Southeast Asian ministries are implicated (Table 4.1). Ministries that are in charge of employment and labour affairs aim to increase participation in the formal labour market through policies and services, such as PES, sheltered and supported employment, employment incentives, direct job creation and start-up incentives, among others (OECD/ADB, 2020^[3]). Four Southeast Asian countries (Cambodia in 1971, the Philippines in 1976, Thailand in 1969, and Viet Nam in 2012) ratified the Employment Policy Convention, 1964 (No. 122), which promotes employment and labour policies to achieve full, productive and inclusive employment. Furthermore, ministries in charge of employment and labour affairs offer targeted policies and programmes to help women, youth and migrants to integrate into the formal labour market. Ministries in charge of economy, industry and innovation provide a wide range of initiatives that incentivise and support the effective use of skills, including providing support services to firms to adopt HPWPs and offering subsidies to firms to innovate and carry out R&D, thereby increasing the demand for higher levels of skills. Ministries responsible for social affairs, culture and sports also implement a variety of policies to increase skills use in society, including promoting social engagement, volunteering, and cultural and sports activities.

To mitigate the negative impacts of the coronavirus (COVID-19) pandemic and help foster a rapid and inclusive recovery from the pandemic, Southeast Asian countries have adopted a variety of Association of Southeast Asian Nations (ASEAN) initiatives and strategies to boost employment, skills use and productivity, as described in Table 4.2.

Table 4.1. Overview of Southeast Asian government agencies responsible for employment and skills use policies

Country	Labour and employment	Economy, industry and innovation	Social affairs, culture and sports
Brunei Darussalam	Ministry of Home Affairs	Ministry of Finance and Economy	Ministry of Culture, Youth and Sports
Cambodia	Ministry of Labour and Vocational Training	Ministry of Economy and Finance	Ministry of Social Affairs, Veterans and Youth Rehabilitation Ministry of Culture and Fine Arts
Indonesia	Ministry of Manpower	Ministry of Industry	Ministry of Social Affairs Ministry of Youth and Sports Affairs
Lao PDR	Ministry of Labour and Social Welfare	Ministry of Industry and Commerce Ministry of Science and Technology	Ministry of Information, Culture and Tourism
Malaysia	Ministry of Human Resources	Ministry of Entrepreneurship Development and Cooperatives Ministry of Science, Technology and Innovation	Ministry of Youth and Sports Ministry of Women, Family and Community Development Ministry of Tourism, Art and Culture
Myanmar	Ministry of Labour, Immigration and Population	Ministry of Industry	Ministry of Health and Sports Ministry of Social Welfare and Resettlement
Philippines	Department of Labour and Employment	Department of Science and Technology Department of Trade and Industry	Department of Social Welfare and Development National Commission for Culture and the Arts Philippine Sports Commission
Singapore	Ministry of Manpower	Ministry of Trade and Industry	Ministry of Culture, Community and Youth Ministry of Social and Family Development

Thailand	Ministry of Labour	Ministry of Industry	Ministry of Tourism and Sports Ministry of Culture
Viet Nam	Ministry of Labour, Invalids and Social Affairs	Ministry of Industry and Trade Ministry of Science and Technology	Ministry of Culture, Sports and Tourism

Source: Brunei Darussalam Department of Labour (2021^[4]), *Organisation Structure*, www.labour.gov.bn/SitePages/Organisation%20Structure.aspx; Royal Government of Cambodia (2005^[5]), *Sub-decree on the organization and functioning of the Ministry of Labour and Vocational Training*, www.ilo.org/dyn/natlex/docs/MONOGRAPH/92808/108288/F-1312769134/KHM92808%20Eng.pdf; Indonesia Ministry of Manpower (2018^[6]), *About the Ministry of Manpower*, www.kemnaker.go.id/information/about; Malaysia Ministry of Human Resources (2017^[7]), *Departments and Agencies*, www.mohr.gov.my/index.php/en/?option=com_content&view=article&id=33; Myanmar Ministry of Labour (2022^[8]), *About the Ministry*, <https://mol.nuqmyanmar.org/about-ministry/>; Philippines Department of Labour and Employment (2022^[9]), *DOLE Offices: Bureaus*, www.dole.gov.ph/; Singapore Ministry of Manpower (2022^[10]), *Divisions and statutory boards*, www.mom.gov.sg/about-us/divisions-and-statutory-boards; Thailand Ministry of Labour (2022^[11]), *MOL Duties*, www.mol.go.th/en/departments/mol-duties; Viet Nam Ministry of Labour, Invalids and Social Affairs (2017^[12]), *Decree Stipulating Functions, Duties, Authorities and Organization Structure of the Ministry of Labour - Invalids and Social Affairs*, <http://english.molisa.gov.vn/Pages/AboutDutiesResponsibilities.aspx>.

Table 4.2. Recent ASEAN initiatives to promote intensive skills use in work and society

Name	Year	Description
ASEAN Work Plan on Youth 2021-2025	2021	Covers five priority areas, which align with the domains of the ASEAN Youth Development Index: education, health and well-being; employment and opportunity; participation and engagement; and ASEAN awareness, values, and identity. The plan promotes volunteering among ASEAN youth through the ASEAN Volunteers project, the ASEAN Volunteer Forum and the ASEAN Volunteer Award. Furthermore, the plan supports youth entrepreneurship.
ASEAN Economic Ministers' Statement on Strengthening ASEAN's Economic Resilience in Response to the Outbreak of the Coronavirus Disease (COVID-19)	2021	Resolves to take collective action to leverage technologies and digital trade to allow businesses, especially micro, small and medium-sized enterprises (MSMEs), to continue operations amidst the COVID-19 outbreak
Go Digital ASEAN Initiative	2020	Aims to close the digital gap across ASEAN in support of the vision set out by the ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME)'s Action Agenda on Digitalisation of ASEAN MSMEs through Capacity Building. Implemented by The Asia Foundation, with support from Google.org, Google's philanthropic arm, the initiative will train up to 200 000 people from rural regions and underserved communities – including entrepreneurs, underemployed youth and women. Working with local partners in ASEAN member states, the USD 3.3 million grant will broaden participation in the digital economy to include groups with the most to gain from digital literacy skills and online safety awareness. Amidst the COVID-19 crisis, this initiative will also be a mechanism for helping MSMEs to learn about programmes or assistance that can help them continue to operate during the COVID-19 crisis.
Third ASEAN Inclusive Business Summit	2020	Convened government officials and business leaders to advocate for inclusive business strategies that support MSMEs and support recovery from economic setbacks and impacts of the COVID-19 pandemic. The summit explores how women, over-represented among the poor, can be better included in value chains as well as the role of social enterprises contributing to inclusive business models.
ASEAN+3 Plan of Mitigating the Economic Impact of the COVID-19 Pandemic	2020	Promotes co-operation between ASEAN and the Plus Three countries [China (People's Republic of) Japan, Korea] to mitigate the economic impact of the COVID-19 pandemic. ASEAN and the Plus Three countries will work together to facilitate a smooth flow of essential goods, such as food, commodities and medical supplies. They also aim to support businesses, particularly MSMEs, vulnerable groups, business start-ups and economic sectors adversely affected by COVID-19, by facilitating timely information sharing on trade-related measures and promoting science, technology, innovation and digital trade to allow them to continue operations and increase market opportunities in the region and globally.

Source: ASEAN (2022^[13]), *ASEAN Secretariat News*, <https://asean.org/category/news/>.

Southeast Asia's performance in using skills effectively at work, as well as in society and everyday life

Over the last decade, Southeast Asia has increased its policy focus on improving its citizens' use of skills in their work and everyday lives. The average regional labour force participation rate has remained relatively stable over the past ten years and was even higher than the OECD average in 2021. In addition, much policy attention has been given to increasing the access of disadvantaged groups, such as women, youth and migrants, to formal labour market opportunities. There has also been increasing focus on

adopting policies that aim to intensify the use of skills in activities outside the realm of work, such as in civic activities and everyday life in general. For instance, the share of people who dedicate time to volunteering is higher in Southeast Asia than among OECD countries, and policies have been initiated at the regional level to recognise the societal value of such civic engagements. Nevertheless, considerable work must be done throughout the region to address barriers to fully and effectively use skills in work and everyday life.

The labour force participation rate is high in Southeast Asia, but many barriers remain to the full and effective use of skills, especially among disadvantaged groups

The labour force participation rate in Southeast Asian countries is relatively high and has remained relatively stable in most countries over the last decade. The average labour force participation rate, which refers to the number of persons in the labour force as a proportion of the working-age population, has fluctuated across the region between 68.2% and 65.6% from 2011 to 2021. However, across all countries, men perform better than women, and the average participation rate throughout the region is significantly higher among men (76.5%) than women (58.1%) (Figure 4.1, Panel A). The gender gap is largest in Myanmar, with a 29 percentage point gap between men and women. It is also significant in countries such as the Philippines, Indonesia and Malaysia, where the gap is above 20 percentage points. Lao People's Democratic Republic (hereafter "Lao PDR") has the lowest gender labour force participation rate gap (7.1 percentage points) in the region.

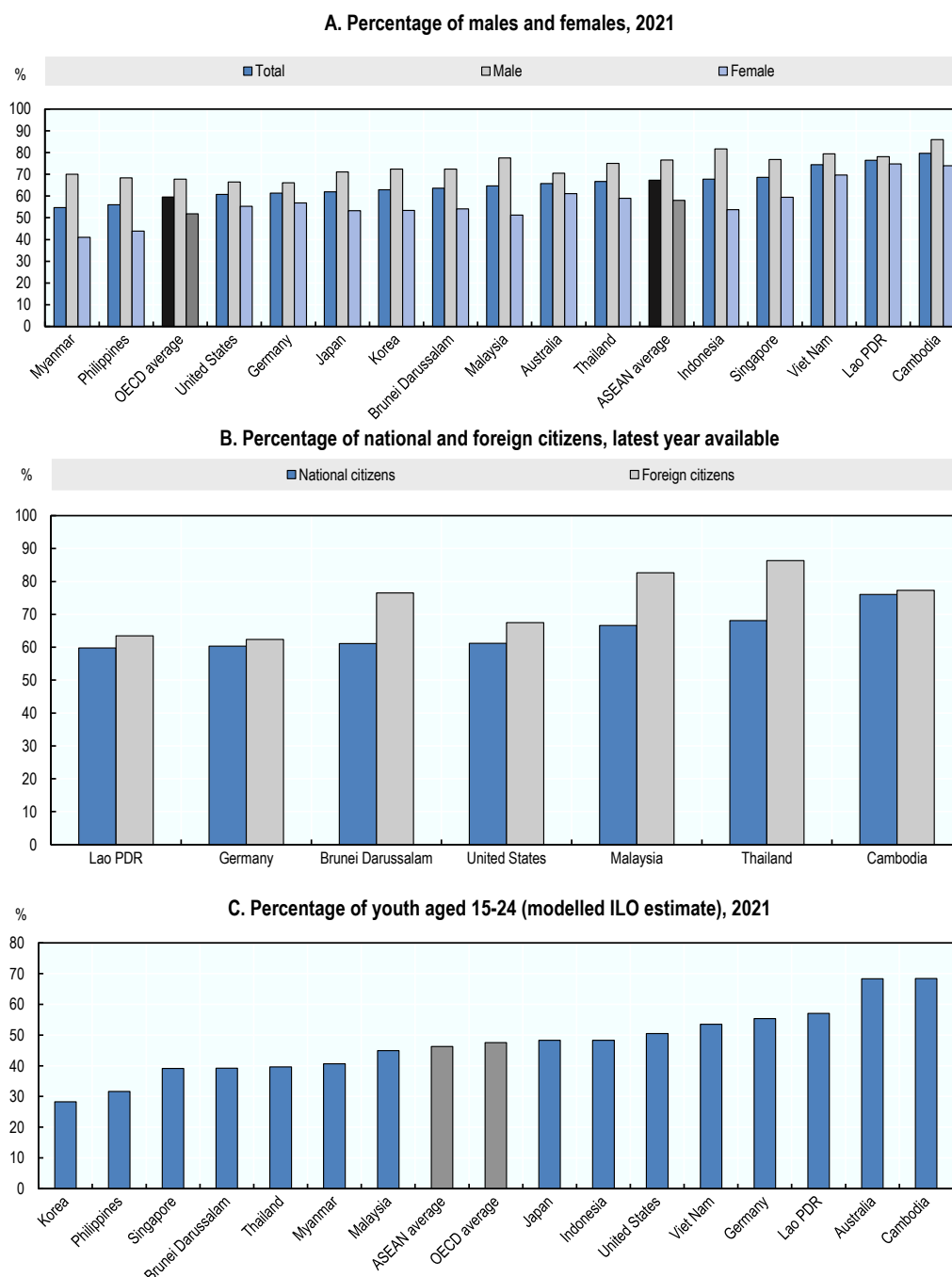
There are several reasons for the gender gap in formal labour markets in Southeast Asia, resulting in significant economic implications for the region. The higher gender gaps in formal labour market participation rates may be partially attributed to female under-representation in key sectors such as science, technology, engineering and mathematics (STEM) (see Chapter 3) or working conditions that make it difficult for women to combine work and family responsibilities (OECD, 2019^[2]). Even when women are working, many work as informal workers (workers who do not pay social contributions) and as self-employed workers whose businesses are not registered. Informal workers also often have lower-quality working conditions (ILO, 2019^[14]). Based on OECD calculations, in the top three Southeast Asian countries with the largest gender gaps in labour force participation rates (i.e. Myanmar, Indonesia and Malaysia), reaching parity in participation between men and women would mean adding to the labour force about 4.8 million more women in Myanmar, 28.9 million more in Indonesia, and 3.7 million more in Malaysia. This is equivalent to adding about 37.5 million women to the workforce from these three countries alone. Such an increase in the labour force supply would significantly boost labour utilisation. Addressing barriers to women's formal labour market participation is an important policy concern, as estimates reveal that eliminating gender inequalities in Southeast Asian formal labour markets could boost the region's gross domestic product (GDP) by USD 359 billion by 2025 (McKinsey Global Institute, 2018^[15]).

In Southeast Asian countries with available data, migrants have higher labour force participation rates than the native population. Thailand and Malaysia have a relatively high percentage of immigrants participating in the labour force, around 80%, which is comparable to – if not more than – the labour force participation rates of native-born citizens (Figure 4.1, Panel B). However, despite high participation in the labour force, evidence suggests that a majority of migrants coming to Southeast Asia have low levels of skills and are compelled to search for economic opportunities, mainly in low-skilled construction, agriculture and domestic services (Gentile, 2019^[16]).

The labour force participation rate among youth in Southeast Asia is similar to, but slightly lower than, that of OECD countries. In Southeast Asia, 46.2% of youth aged 15 to 24 participate in the labour force, while 47.5% of youth across OECD countries do. Rates are remarkably high in several countries, such as Cambodia (68.4%), Lao PDR (57%) and Viet Nam (53.5%) but are low in others, such as the Philippines (31.5%) (Figure 4.1, Panel C). Participation in the labour market among youth can suggest that they are participating in employment opportunities in addition to their formal education, such as part-time work and

weekend or student jobs (Eurostat, 2022^[17]). While this may help youth develop new skills and fully utilise them in the workplace and other situations, it can also point to the need of young people, especially those from socio-economically disadvantaged backgrounds, to earn money to finance their studies and support their daily lives.

Figure 4.1. Labour force participation rates across socio-demographic groups in Southeast Asia and selected OECD countries, 2021 or latest available year



Source: ILOSTAT (2021^[18]), *Labour force participation rate by sex and age (ILO modelled estimates, Nov. 2021) (%)*, www.ilo.org/shinyapps/bulkexplorer0/?lang=en&segment=indicator&id=EAP_2WAP_SEX_AGE_RT_A; ILOSTAT (2022^[19]), *Labour force participation rate by sex, age and citizenship*, www.ilo.org/shinyapps/bulkexplorer50/?lang=en&segment=indicator&id=EAP_2WAP_SEX_AGE_RT_A; OECD (2021^[20]), *Labour force participation rate*, <https://data.oecd.org/emp/labour-force-participation-rate.htm>.

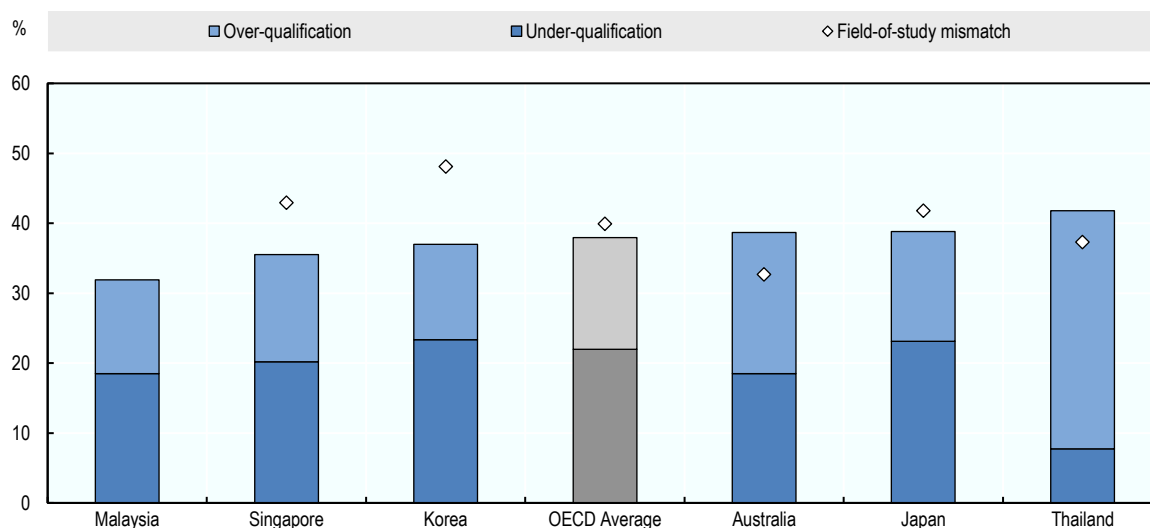
In addition to facilitating participation in the formal labour market, it is equally important to ensure that skills are fully and effectively used at work in Southeast Asian countries. However, evidence suggests that there are challenges to fully using skills at work throughout the region. Skills are not fully used at work when there are imbalances between the supply and demand for skills, which can be found in the form of skills shortages (i.e. a situation in which adequate skills are hard to find in the current labour market) or in the form of skill surpluses (i.e. a situation in which the supply of certain skills exceeds their demand in the labour market) (OECD, 2017^[21]). Shortages and surpluses can exist by skill level or by skill type. Imbalances can also take the form of qualification mismatches, which refers to a situation in which workers' qualifications exceed or fall short of those required for their job under current market conditions (OECD, 2017^[21]; Shah and Burke, 2005^[22]). Skills imbalances are often associated with several negative impacts, such as a higher risk of unemployment, lower wages, lower productivity and lower job satisfaction (OECD, 2019^[21]).

In Southeast Asian countries with available data, skills mismatches by level of qualification and field of study are significant. As shown in Figure 4.2, overqualification is more prevalent in Thailand (34%) and Malaysia (13%) than among OECD countries (16%), which could result in inefficient use of valuable skills, as over-qualified workers may be capable of performing higher-level jobs and more complex tasks but are instead performing below their potential. Over-qualified workers also suffer from wage losses when they work at a lower requirement level (Kracke, Reichelt and Vicari, 2018^[23]; Verhaest and Omeij, 2012^[24]). Data on skills mismatches in other Southeast Asian countries apart from Thailand are limited. In OECD countries, however, under-qualifications are more prevalent, suggesting employers may have difficulties finding workers with the right qualifications. On the other hand, some of these workers may, in fact, have skills that are a good match for the needs of their jobs if they have continued to develop their skills non-formally or informally on the job. Nonetheless, a high share of under-qualified workers could lead to lower productivity at the firm level in the longer term, especially when these workers do not have access to upskilling offers where they can learn extra skills required for the job (see Chapter 3) (Kampelmann and Rycx, 2012^[25]).

Field-of-study mismatches reflect a mismatch between the field of study completed by individuals and the field of study typically required for the job in which they are employed. Field-of-study mismatches occur when individuals choose fields of study that are not well aligned with labour market needs or when the demands of the labour market change in such a way that those fields are no longer in such high demand. Field-of-study mismatches are particularly problematic for graduates when they are forced to accept a job requiring lower qualifications because they lack the field-specific skills in demand. Available data show that around 37% of workers in Thailand are mismatched by field of study (Figure 4.2) (OECD, 2021^[26]).

Besides facilitating a good match between the skills of individuals and the skills requirements of jobs, it is also important to have workplace practices that make full use of people's skills. Evidence suggests that higher intensive use of skills stimulates investment, employee engagement and innovation (OECD, 2016^[27]; 2019^[28]; 2021^[26]). For example, information-processing skills (e.g. literacy, numeracy, information and communication technology [ICT] and problem solving) are useful in a wide variety of social and work contexts, allowing people to carry out a wide range of tasks. These skills allow workers to analyse information and solve problems, and there is evidence that their use is associated with productivity increases. There is a significant difference in the use of these skills between the two Southeast Asian countries with available data (Figure 4.3). For instance, in Singapore, there is a relatively high use of all types of information-processing skills, while the usage of these skills in Indonesia is relatively low. In both countries, writing skills are frequently used, while the use of numeracy skills is less common. Nonetheless, data on the use of information-processing skills at work remains scarce for Southeast Asian countries, highlighting the need to improve the collection of data that could be used to develop policies to improve the use of skills at work.

Figure 4.2. Share of workers mismatched by qualification level and field of study in Southeast Asia and selected OECD countries, 2017 or latest available year



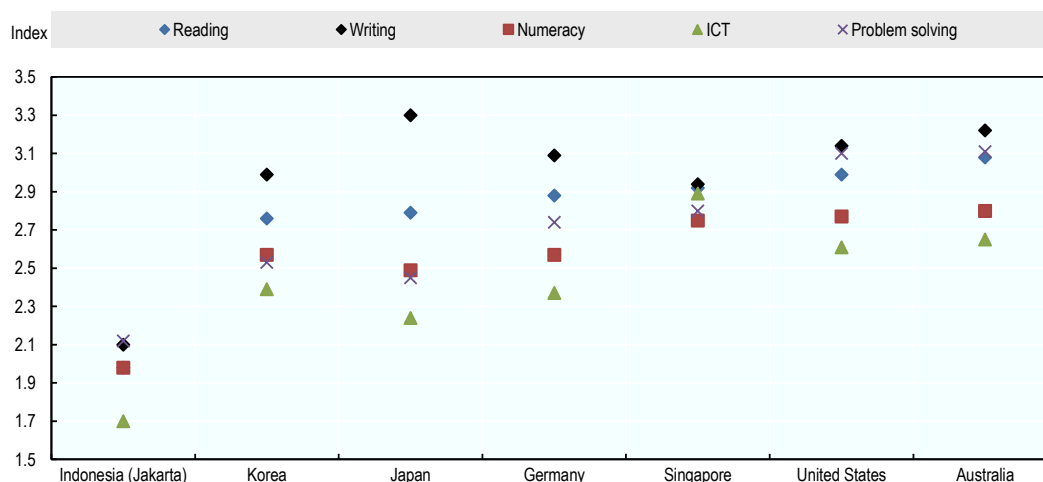
Note: Workers are mismatched by qualification level when their highest obtained qualification (primary education or below, lower-secondary education, upper-secondary and post-secondary non-tertiary education, or tertiary education) is higher or lower than the one most commonly observed among workers in the occupation. Workers are mismatched by field of study when the field of their highest obtained qualification does not correspond to the field of their occupation. Australian data use a different occupational classification, which limits the international comparability of the results. Data refer to 2017 for Thailand, 2016 for Australia, 2011/12 for Korea and Japan, and latest available year for the OECD average.

Source: Adapted from OECD (2018^[29]), *OECD Survey of Adult Skills (PIAAC)*, www.oecd.org/skills/piaac/data/; Thai and Malaysia Labour Force Survey; Australian Survey of Education and Work.

StatLink <https://stat.link/5s4a9e>

Figure 4.3. Information-processing skills used at work in Southeast Asia and selected OECD countries, 2012/2015

Index of frequency of skills usage on a scale of 1 (least frequent) to 5 (most frequent)



Source: OECD (2018^[29]), *OECD Survey of Adult Skills (PIAAC)*, www.oecd.org/skills/piaac/data/.

StatLink <https://stat.link/6cyars>

More could be done to promote the effective use of skills in everyday life in Southeast Asia

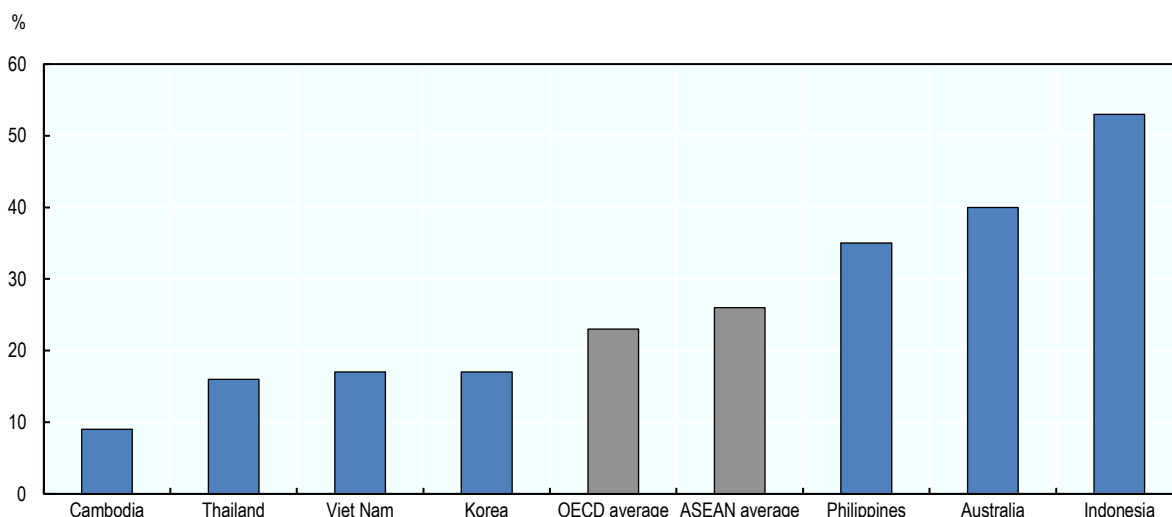
It is important to ensure the full and effective use of skills in the workplace, society, and everyday life. People use their skills in a variety of ways in society and everyday life, including through civic engagement (e.g. volunteering and participating in political parties or religious groups) and participation in leisure activities (e.g. sports and recreational groups, reading books). Civic engagement activities may take many forms, such as membership in an organisation or association, participation in charitable activities, support for environmental causes, participation in protests and social movements, signing of petitions and volunteering, among others (American Psychological Association, 2022^[30]; Ghiglieri et al., 2020^[31]; Keeter et al., 2002^[32]). These activities are typically unpaid and non-compulsory, allowing people to form meaningful relationships with others, experience an increased sense of community, and improve social well-being (Albanesi, Cicognani and Zani, 2007^[33]). Through participation in such activities, people can also acquire new skills and knowledge that may enhance career or employment prospects. Participation in recreational activities involving others, such as sports and recreational clubs, can help transfer and strengthen interpersonal skills and develop peer relationships. Recreational activities pursued alone, such as reading and solving puzzles, increase general knowledge, improve memory and reduce stress, among other benefits. When parents use their literacy skills and read books to their children at home, it raises the likelihood that the child will also develop reading literacy (Hemmerechts, Agirdag and Kavadias, 2017^[34]; OECD, 2021^[26]; 2019^[2]).

A common civic engagement activity where individuals can make use of their skills is volunteering. Volunteer work refers to time devoted to non-remunerated and non-compulsory activities whose primary concern is to uphold the common good. Volunteerism has positive effects on individuals' well-being, including happiness, health, life mastery and life satisfaction. Also, it contributes to broader societal development, as the beneficiaries of volunteering activities are often disadvantaged groups, such as low-income individuals, migrants or the homeless (Huang, 2019^[35]; OECD, 2015^[36]). These many benefits underscore the need to promote a culture of volunteerism in Southeast Asia, especially among individuals who are not always actively engaged in the labour market, such as youth and older adults. This is one of the key points outlined in the ASEAN Work Plan on Youth 2016-2020, which recognises the role that voluntary work plays in helping young people gain new skills, as well as in allowing them to perform beneficial and altruistic tasks for their communities (Agbisit and ASEAN Editorial Team, 2021^[37]; Gavelin, Svedberg and Pestoff, 2022^[38]). Participation in volunteering varies considerably across Southeast Asian countries (Figure 4.4). The share of people who volunteered time to an organisation in the past month is relatively high in some countries, such as Indonesia (53%) and the Philippines (35%), but the shares in Thailand (16%) and Cambodia (9%) are relatively low by international comparison (OECD, 2019^[39]). The average across ASEAN countries (26%) is slightly higher than the OECD average (23%).

While data on the extent to which skills are used in Southeast Asian society are limited, the data that are available suggest potential room for improvement. For example, individuals in Singapore use information-processing skills in everyday life (e.g. reading, writing, numeracy and ICT) at similar but slightly lower rates than the OECD average (OECD, 2018^[29]). In contrast, the use of such skills in Indonesia is very limited compared to other countries (Figure 4.5). Across all countries in the region and the OECD (with available data), reading and ICT skills are the most frequently used in everyday life, while numeracy skills are often less used.

Figure 4.4. Share of people who volunteered time to an organisation in the past month in Southeast Asia and selected OECD countries, 2019

Percentage of working-age population

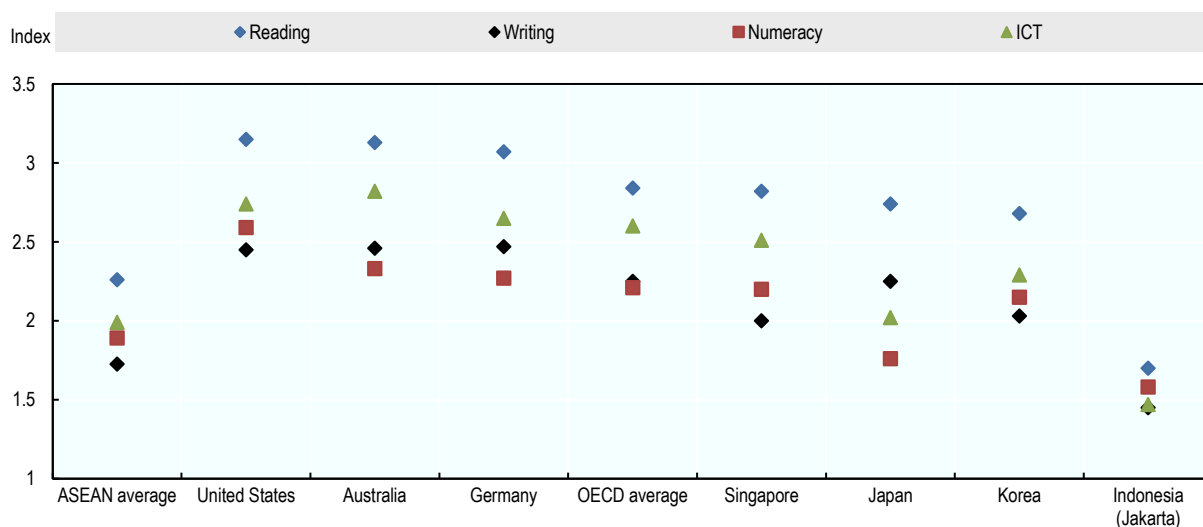


Source: OECD (2019^[39]), *Society at a Glance: Asia/Pacific 2019*, https://doi.org/10.1787/soc_aag-2019-en.

StatLink  <https://stat.link/rcoj9w>

Figure 4.5. Information-processing skills used in everyday life in Southeast Asia and selected OECD countries, 2012/2015

Index of frequency of skills usage on a scale of 1 (least frequent) to 5 (most frequent)



Source: OECD (2018^[29]), *OECD Survey of Adult Skills (PIAAC)*, www.oecd.org/skills/piaac/data/.

StatLink  <https://stat.link/7hkbyi>

Opportunities to use skills effectively in work and society

Using skills effectively in work and society is central to the ability of Southeast Asian countries to make the most of the available skills supply to spur innovation, productivity and growth, and strengthen social cohesion. Based on an assessment of the performance of countries in the region, the following opportunities have been identified for improving the use of skills in work and society:

1. promoting participation in the formal labour market
2. making intensive use of skills in work and society
3. increasing demand for higher-level skills.

Opportunity 1: Promoting participation in the formal labour market

Investments in developing skills will only have the desired impact if those skills are made available to the formal labour market. Giving people opportunities to participate in the formal labour market and making full use of their skills at work not only improves individual well-being but also strengthens economic growth (OECD, 2019^[2]). Moreover, expanding the supply of skills through increasing formal labour market participation of groups currently at the margins of the labour market can help alleviate skills shortages while fostering more equitable economic and social outcomes. Promoting participation in the formal labour market is particularly important in the context of megatrends and the COVID-19 pandemic, which are combining to exacerbate skills shortages in some sectors (see Chapter 2).

Southeast Asian countries have relatively high labour market participation rates overall. However, as highlighted in the performance section, in Southeast Asian countries, the participation rates of disadvantaged groups, such as women, youth and migrants, are significantly lower than for the general population. These groups typically face higher barriers to accessing employment and, by extension, to effectively using their skills in the labour market (OECD, 2017^[40]). This is concerning as women, youth, and migrants are all important economic actors. Women account for half of the population and make critical contributions to the economy. Activating the skills of young people is particularly important as they are the future. Migrants play an important role in alleviating skills shortages and supporting knowledge transfer across borders (see Chapter 2).

Facilitating participation in the formal labour market is particularly important. Informal employment, which is associated with poor working conditions, such as lower pay, fewer benefits and a lack of training and career development opportunities, is prevalent across Southeast Asian countries. Lack of skills is both a cause and a consequence of informality. It is important to provide people with access to high-quality and equitable education and training opportunities from an early age to ensure that they develop high levels of skills and, later, as adults, can find jobs and work productively, allowing their employers to absorb the greater costs associated with providing them with formal jobs (see Chapter 3). At the same time, it is also important to facilitate the transition of those working in the informal labour market to the formal labour market by simplifying the procedures of registering businesses and workers and improving the effectiveness of labour inspection. By making it easier for workers to obtain formal employment contracts, governments improve workers' living and health standards and create incentives for workers and firms to invest in developing skills.

Opportunity 1 describes two policy directions for promoting greater participation in the formal labour market: first, Southeast Asian countries can reduce barriers to employment for disadvantaged groups; second, Southeast Asian countries can facilitate the transition of workers from the informal to the formal labour market.

Reducing barriers to employment for disadvantaged groups

Strengthening opportunities for all people to activate their skills is a key to building inclusive and efficient labour markets. Efforts to support people's skills development from an early age and in adulthood (see Chapter 3), combined with efforts to reduce employment barriers after completion of education and training, are essential to fostering an inclusive recovery from COVID-19 and strengthening resilience to future shocks. This policy direction presents areas for countries in the region to reduce barriers to employment among three disadvantaged groups in Southeast Asia: women, youth and migrants.

Even though socio-economic background should not be a determinant in accessing the formal labour market, disadvantaged groups face higher barriers to finding employment (OECD, 2021^[26]). As described in the previous section, women relative to men have lower employment rates; a substantial share of youth are neither in employment, education, nor training (NEET); and many migrants can often only find employment in certain sectors, such as construction, agriculture and domestic services.

The COVID-19 pandemic has further exacerbated existing inequalities of opportunities in the formal labour market. Recent data show that women, youth and migrants, especially those with lower levels of education, were significantly more likely to lose their jobs and experience decreased incomes due to the pandemic (Bundervoet, Davalos and Garcia, 2021^[41]). Table 4.3 illustrates the range of interventions that countries in the region and across the OECD have taken to protect their workforce against the impacts of the pandemic – whether related to employment or public health. The most common policy measure taken was the suspension or postponement of on-the-job training opportunities to protect individuals from the spread of the virus. However, this was also supported by various measures to facilitate employment among workers and firms that were the most socio-economically impacted. These include the use of employment incentives and job creation in the public sector in public works.

Table 4.3. Adjusted employment services in response to the COVID-19 crisis in Southeast Asia and selected OECD countries, 2021

Adjustment in employment services	ASEAN					OECD				OECD total
	Cambodia	Malaysia	Myanmar	Singapore	Viet Nam	Australia	Germany	Japan	Korea	
Suspensions or postponement of on-the-job training	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	25
Employment incentives added or adjusted	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	22
Adjusted or new places added on public sector direct job creation/public works	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	13
Additional places on training programmes made available	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11
Start-up incentives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9
Other active labour market programmes (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7

Note: The column "OECD total" refers to the total number of OECD countries with the policy measure in place. In Singapore, other active labour market programmes were implemented, such as the SGUnited Traineeships (ceased in March 2022) for fresh graduates to gain industry-related experience and exposure in preparation for future opportunities, as well as the SGUnited Mid-Career Pathways Programme, where mid-career individuals benefit from training to develop new skills and boost employability during the restructuring of the economy after the COVID-19 pandemic. Data are not available for the United States.

Source: OECD (2021^[42]), *OECD Skills Strategy Southeast Asia Policy Questionnaire*; OECD (2021^[43]). *Active Labour Market Policy Measures to Mitigate the Rise in (Long-term) Unemployment*, www.oecd.org/els/emp/alm政策措施covid19.pdf.

Southeast Asian countries recognise the additional challenges that disadvantaged groups face and are making efforts to tackle the issue. Several ASEAN-wide initiatives and country programmes are in place to support disadvantaged groups in finding employment (Table 4.4). In recent years, Southeast Asian countries have expressed high-level political commitment to recognising the role that disadvantaged groups, such as women, persons with disabilities, the elderly, migrant workers, and people from rural or remote areas, play in the region's socio-economic development. Countries have put in place interventions that eliminate obstacles to decent employment and business opportunities for these groups, providing targeted skills development support and raising awareness among companies about their rights in the workplace, among others.

Table 4.4. ASEAN-wide initiatives promoting formal labour market participation of vulnerable groups

Name	Year	Description
Joint Statement of the ASEAN Ministerial Meeting on Social Welfare and Development: Mitigating Impacts of COVID-19 on Vulnerable Groups in ASEAN	2021	<ul style="list-style-type: none"> • Recognises the differentiated and disproportionate impacts of COVID-19 on disadvantaged groups and the pressing need to develop comprehensive recovery programmes and social protection for them • Notes that women form a majority of the health and social sector workforce and that their work environment, safety and psycho-social needs are pivotal • Recognises the need to address the digital divide across and within ASEAN to assist in the implementation of policies covering disadvantaged groups and address the negative impacts of the pandemic on them
ASEAN Declaration on Human Resources Development for the Changing World of Work and its Roadmap	2020	<ul style="list-style-type: none"> • Aims to improve the inclusivity of education and employment across the region by increasing access to skills training and job opportunities for all, especially women, persons with disabilities, the elderly, those in rural or remote areas, and those employed in SMEs
ASEAN Enabling Masterplan 2025: Mainstreaming the Rights of Persons with Disabilities	2019	<ul style="list-style-type: none"> • Aims to remove obstacles to employment and business opportunities for persons with disabilities and encourages a disability-inclusive environment in enterprises run by persons with or without disabilities • Establishes one-stop entrepreneur centres for persons with disabilities to provide them with more information on MSMEs, networking opportunities and funding for their enterprises • Promotes inclusive skills training on entrepreneurship among persons with disabilities • Raises awareness among financial institutions and human resources staff about the rights of persons with disabilities, emphasising diversity, equality and inclusion
ASEAN Labour Ministers' Statement on the Future of Work: Embracing Technology for Inclusive and Sustainable Growth	2019	<ul style="list-style-type: none"> • Aims to increase the participation of women, persons with disabilities, the elderly and youth in various career opportunities, especially in STEM • Adopts policies, initiatives and training on technological skills and digital platforms in order to facilitate the access of these vulnerable groups to decent work
ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers	2017	<ul style="list-style-type: none"> • Requires employers from receiving states to undergo employer education programmes that explain the legal procedures for hiring a migrant and their rights to ensure their fair treatment in the workplace • Ensures that both sending and receiving states carry out their obligation to issue an employment contract (with clear and basic terms of employment subject to national laws) and proper documentation by relevant authorities and/or employers • Promotes collaboration among ASEAN member states to ensure access to labour market information and skills development opportunities for migrant workers.

Source: ASEAN (2017^[44]), *ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers*, <https://asean.org/wp-content/uploads/2017/11/ASEAN-Consensus-on-the-Protection-and-Promotion-of-the-Rights-of-Migrant-Workers1.pdf>; ASEAN (2020^[45]), *ASEAN Declaration on Human Resources Development for the Changing World of Work and its Roadmap*, <https://asean.org/wp-content/uploads/2021/08/ASEAN-Declaration-on-Human-Resources-Development-for-the-Changing-World-of-Work-and-Its-Roadmap.pdf>; ASEAN (2019^[46]), *ASEAN Enabling Masterplan 2025: Mainstreaming the Rights of Persons with Disabilities*, <https://asean.org/wp-content/uploads/2019/03/Publication-ASEAN-Enabling-Masterplan-2025-1.pdf>; ASEAN (2019^[47]), *ASEAN Labour Ministers' Statement on the Future of Work: Embracing Technology for Inclusive and Sustainable Growth*, <https://asean.org/asean2020/wp-content/uploads/2021/01/ASEAN-Labour-Ministers-Statement-on-the-Future-of-Work-Embracing-Techno...pdf>; ASEAN (2020^[48]), *Joint Statement of the ASEAN Ministerial Meeting on Social Welfare and Development: Mitigating Impacts of COVID-19 on Vulnerable Groups in ASEAN*, https://asean.org/wp-content/uploads/2021/03/22.-AMMSWD-Joint-Statement-on-COVID19_ADOPTED.pdf; ASEAN (2016^[49]), *Vientiane Declaration on Transition from Informal Employment towards Decent Work Promotion in ASEAN and its Regional Action Plan*, <https://asean.org/wp-content/uploads/2016/09/Vientiane-Declaration-on-Employment.pdf>.

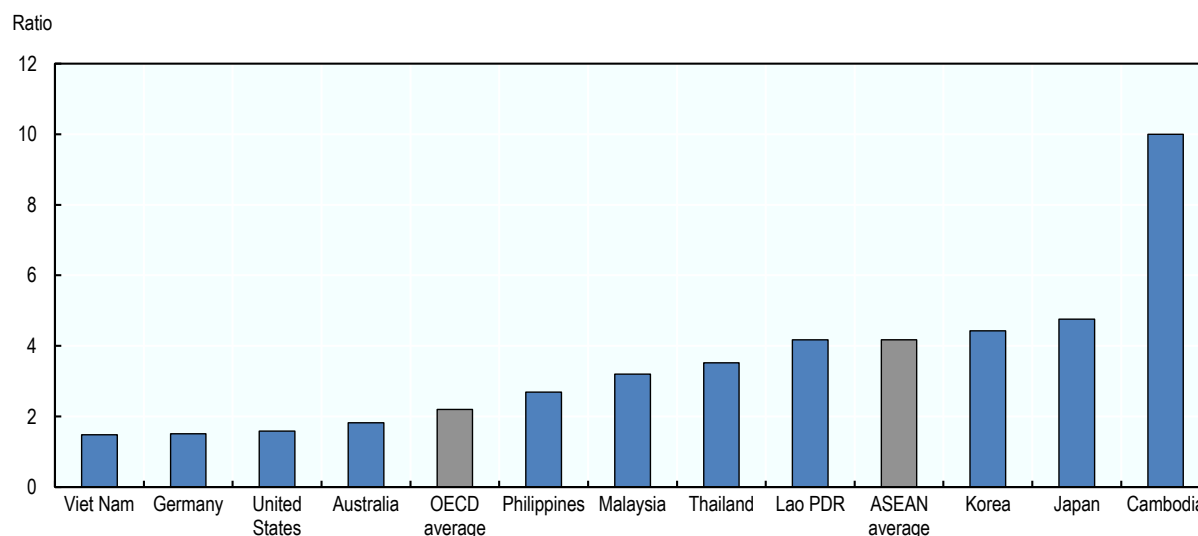
However, as noted by stakeholders consulted during the project, disadvantaged groups' formal labour market outcomes need to be improved. Recent data show that participation rates of disadvantaged groups remain relatively lower than for the general population (Figure 4.1), and there is evidence suggesting that women, youth and migrant workers in Southeast Asia still face relatively greater barriers compared to their counterparts (OECD, 2021^[26]). The specific barriers for each group are discussed in the following sub-sections.

Reducing employment barriers for women

For women, one of the main barriers to participation in economic activities is the heavy burden of unpaid care work, such as childcare, care for elderly relatives, cooking and cleaning. This burden reduces the time they can devote to economic activities and hampers their productivity in the formal labour market. The gender gap in time spent on unpaid care and domestic work is relatively large in Southeast Asian countries (Figure 4.6). On average, women spend 4.2 times longer hours than men on unpaid care work in Southeast Asia compared to an OECD average of 2.2 times longer. The gap was especially large in Cambodia (10 times), followed by the Lao PDR (4.1 times) and Thailand (3.5 times). Evidence suggests that the COVID-19 crisis and associated lockdown measures may have further exacerbated women's unpaid work burden (OECD, 2021^[50]). Mothers often ended up being the ones who assumed the extra work associated with home-schooling and childcare while classes were closed. Moreover, women are more likely to work in service occupations, including paid care work, which initially exposed them to job loss during the pandemic. This exacerbated gender differences in the distribution of paid and unpaid work.


Figure 4.6. Gender gap in time spent on unpaid work in Southeast Asia and selected OECD countries, 2019

Female-to-male ratio of average time spent on unpaid domestic, care and volunteer work over a 24-hour period



Note: The ratio shows the number of hours women spent on unpaid domestic, care and volunteer work within a day over the number of hours men spent on unpaid domestic, care and volunteer work within a day.

Source: OECD (2019^[51]), *Gender, Institutions and Development Database (GID-DB)*, 2019, <https://stats.oecd.org/Index.aspx?DataSetCode=GIDDB2019>.

StatLink  <https://stat.link/pg6izc>

The high gender gap in unpaid care and domestic work in Southeast Asia reflects traditional gender roles, which are reinforced through strong social norms. In many Southeast Asia countries, strong patriarchal social norms remain and continue to shape stereotypical gender roles, with men, especially from rural areas, often reporting a fear that performing “women’s chores” will result in social stigma (ActionAid, 2017^[52]). Awareness-raising campaigns could help balance more responsibilities for unpaid domestic work between men and women and reshape traditionally defined gender roles. Evidence suggests that raising knowledge and awareness about the economic costs (e.g. reduced time for women to allocate to economic activities) and social costs (e.g. increased stereotypes on gender roles, women’s lack of confidence in economic activities) of unequally shared responsibilities within the household can lead to more equal distribution of responsibilities for domestic tasks (OECD, 2021^[50]).

Several OECD countries have recently introduced national campaigns to tackle gender stereotyping and norms, using the support of both traditional and online media channels. A good example is the Equilibrium Man Challenge in Australia. It is a joint public-private campaign that features a series of online documentaries, which follow a group of men who have taken up flexible work arrangements to care for family members and pursue skilled hobbies outside of work. It aims to raise awareness about the beneficial effects of work-life balance for both partners, resulting in a more equal distribution of care responsibilities. Some benefits of such flexible arrangements at work include clearer roles in family life among men, better time management, better outcomes in terms of health and well-being, increased knowledge and further skills development (OECD, 2017^[53]; Parents at Work, 2015^[54]). In Southeast Asia, several countries, such as Lao PDR, have launched initiatives to facilitate women’s participation in income-generating activities in sectors usually dominated by men, such as construction (Box 4.1). Cambodia has also implemented a gender mainstreaming action plan (GMAP) to expand the scope of rights and benefits that women could exercise in the labour market (Box 4.1).

Flexible work arrangements, such as part-time work, flexible working hours and remote working, can encourage and facilitate women’s participation in the formal labour market. Such arrangements allow women to combine work with other care and social responsibilities more easily. Evidence suggests that the removal of disincentives to part-time work could result in a significant improvement in employment among women (OECD, 2017^[40]). In OECD countries, women, especially mothers, constitute the bulk of part-time workers (OECD, 2017^[40]). Efforts to contain the COVID-19 pandemic have provided an impetus for expanding flexible work arrangements, such as remote working and flexible working hours (see Chapter 2).

Some Southeast Asian countries have adopted policies to promote women’s participation in the formal labour market by facilitating the expansion of flexible work arrangements. In Malaysia, the government introduced the Work-Life Practices programme in 2015, which promotes flexible working arrangements (e.g. option to leave earlier from work, staggered hours, job sharing, telecommuting), a healthy work-life balance among employees (e.g. study/exam leaves, family care and paternal duties) and family-friendly facilities in the workplace (e.g. nursing rooms for mothers, parking spots for pregnant women, childcare centres) (TalentCorp, 2018^[55]). The programme also provides tax incentives to firms when they purchase necessary technologies for remote work and adopt remote-work-friendly work practices, such as online training services. However, stakeholders consulted during this project noted that flexible working arrangements are usually easier to implement in large companies, which have access to greater resources than in SMEs, which are typically more resource constrained. Thus, SMEs could benefit from government support in promoting such flexible working arrangements. In Southeast Asian countries, SMEs represent around 97-99% of firms and, on average, account for around 66.3% of employment. The relative importance of SMEs providing employment varies across Southeast Asian countries, ranging between 51.7% in Viet Nam to 97% in Indonesia (OECD, 2021^[56]).

Furthermore, access to part-time work, as a form of flexible working arrangement in formal employment, remains sporadic across Southeast Asian countries. While 25.32% of all employment across the region is part-time, most part-time working arrangements occur in casual jobs rather than in contractual employment

with formal guarantees (Nguyen, Nguyen-Huu and Le, 2016^[57]; ILOSTAT, 2022^[58]). Some Southeast Asian countries maintain legislation that may discourage certain forms of employment, including part-time work. Part-time work in Southeast Asian countries is discouraged either using implicit fiscal disincentives (e.g. high mandated minimum social security contributions) or by placing excessive restrictions on the use of part-time contracts (OECD, 2017^[40]). Such rules were originally put in place to protect workers' rights and prevent workers from being exploited, but inadvertently, they could harm women's economic opportunities and encourage informal employment. Across Southeast Asian countries, employers' contributions to social security protection have increased as coverage was expanded to cover pensions, health insurance and welfare assistance, among others. In 2020, employer social security tax rates varied significantly across countries: Myanmar (3%), Cambodia (3.4%), Thailand (5%), Indonesia (5.74%), the Philippines (8%), Brunei Darussalam (8.50%), Malaysia (12%), Singapore (17%), and Viet Nam (21.5%) (KPMG, 2023^[59]). The higher the social security contributions, the more disincentivised employers are to offer part-time employment since the contribution rates are almost identical to full-time employment (OECD, 2005^[60]).

Reducing employment barriers for youth

For youth, transitioning from school to the formal labour market is challenging. In Southeast Asia, youth, who represent about 34% of the population, face a number of challenges to their participation in the formal labour market. Evidence from low- and middle-income countries, including those in Southeast Asia, suggests that it takes a while for young people to find their first job, even when the job is not entirely to their satisfaction. According to School-to-Work transition survey data, the average time to find a first job across Southeast Asia was about 11.6 months, and the average time to find a satisfying job was 13.8 months (ILO, 2019^[61]; 2020^[62]). These labour market challenges grew more severe during the COVID-19 pandemic. Compared to the pre-pandemic youth unemployment rate of 8.9% in 2019, there has been a significant increase during the pandemic to 11.3% in 2021 (ILOSTAT, 2021^[63]). This unemployment rate represents about 25.4 million youth in Southeast Asia who were left unemployed. Addressing youth unemployment is particularly critical, as it has long-term consequences. Individuals unemployed in youth tend to lose touch with the formal labour market, earn significantly less over their lifetime, and be more pessimistic about their future (OECD, 2020^[64]).

The main employment barriers youth face include a lack of previous work experience and mismatches between the skills they have acquired in education and those required by employers (ILO, 2020^[62]). As noted in Chapter 3, it is crucial to ensure that youth are equipped with skills in demand before they enter the labour market. Ensuring school curricula align with changing demands in the labour market and provide young people with sufficient and quality career guidance could facilitate smoother transitions to the labour market (see Chapter 3). PES play an important role in facilitating school-to-work transitions for young people: they not only help young people find relevant jobs more quickly, but they also help firms overcome skills shortages by providing them with a larger pool of job seekers. Many Southeast Asian countries offer targeted employment services for young people. For example, the Philippines introduced the JobStart Philippines Programme (JSP) to reduce the high percentage of NEET in the country (Box 4.1). The programme matches young Filipino jobseekers with internship and employment opportunities and provides them with technical training and one-on-one career coaching.

To improve the tailoring of employment services for disadvantaged groups, such as youth, Southeast Asian countries could promote the digitalisation of labour market databases and job-matching services (ILO, 2020^[62]). Digitalisation and new technologies, such as big data, artificial intelligence (AI) or advanced algorithms, help identify the specific skills profile of job seekers among youth and improve the targeting of employment services (Mwasikakata, 2019^[65]). Many OECD countries actively use digitalisation to provide efficient and tailored employment services. For example, in Flanders, Belgium, the automated matching platform "Elise" can compare registered curriculum vitae (CVs) against millions of vacancies in real-time, resulting in more accurate matches than any human could ever achieve (OECD, 2019^[21]). The

Netherlands has a digital profiling tool that measures the probability that a job seeker will resume work within a year. The outcome informs the intensity of employment support to be provided to the job seeker (Box 4.1). In Malaysia, the Graduates Empower Programme of MYFutureJobs uses AI to match individuals with the most suitable jobs based on skills, experience and education levels (Malaysian Ministry of Human Resources, 2022^[66]). The effectiveness of these efforts hinges upon the quality of data collection around skills and the labour market (see Chapter 5).

Providing online employment services in addition to in-person employment services has become more important during the COVID-19 pandemic following the introduction of social-distancing requirements (see Chapter 2). Since, on average, youth relative to older adults are more familiar with digital devices and online services, online employment services could be particularly appropriate for this target group. Examples of online employment services provided by public or private employment services could include career guidance, mental counselling, support with preparing resumes and CVs, mock interviews, skills profiling and training, among others. Online services could be delivered through online communication tools, portals, platforms, apps and texting. The advantages of online services are that they are typically less costly, more convenient, more flexible, allow for more frequent and instant communication, and are location-independent. For example, in Canada, Youth Employment Services provides many employment services on line, including counselling, training and mentorship, among others (Youth Employment Services, 2022^[67]). While during the pandemic, many PES in Southeast Asia started offering online service options, common challenges included insufficient digital skills among PES.

Reducing employment barriers for migrants

Like women and youth, migrants in Southeast Asia also face challenges in finding employment. These challenges include the high cost of legal counselling for employment, lack of coverage by labour law, limited access to labour market information, and language barriers (World Bank, 2017^[68]). Although ASEAN member states have put in place several mutual recognition agreements (MRAs) to facilitate the flow of skilled labour within the region, these flows remain relatively constrained due to the inconsistencies of MRAs with national laws and regulations (Gentile, 2019^[16]).

In recent years, ASEAN countries have adopted measures and taken steps to facilitate international labour mobility (see Chapter 2). Several Southeast Asian governments have set up specialised administrative and regulatory offices responsible for managing cross-border recruitment and relevant services. These offices can be useful in protecting both workers and employers, as well as facilitating labour mobility (Gentile, 2019^[16]; ILO, 2016^[69]). A regional, donor-funded, ten-year programme named Tripartite Action to Enhance the Contribution of Labour Migration to Growth and Development (also known as TRIANGLE in ASEAN) is active in Cambodia, Lao PDR, Malaysia, Myanmar, Thailand, and Viet Nam to deliver services directly to migrant workers and their communities through a network of migrant worker resource centres (MRCs), available in countries of origin and destination. Managed in partnership with government institutions, trade unions and civil society organisations, MRCs provide services such as migrant training, language lessons, vocational or financial skills training, as well as awareness raising about the labour rights of migrants, legal counselling and health checks, among others. Similar initiatives are also being implemented by individual governments, such as Singapore, which offers the Settling-In Programme (SIP). The SIP is a compulsory course that provides training to foreign domestic workers about their rights and responsibilities, culture in Singapore and improved working practices in the households where they work (Box 4.1). Stakeholders consulted throughout the project noted that despite the existence of these initiatives, most migrants are not aware of the existence of the MRCs and other specialised services for migrants; therefore, they do not use them.

Migrant workers often have limited information about safe migration and their rights at work or where they can access support or information. Southeast Asian governments should create awareness of the MRCs and other migrant-specialised services by using various channels to inform workers, especially those in hard-to-reach communities, about the relevant information and services they provide. As various

institutions are active in serving migrants, it is important to establish co-ordination mechanisms to avoid overlapping responsibilities and unnecessary, duplicative actions. Specialised institutions serving migrant workers (e.g. MRCs) should play a key role in disseminating information about the recruitment process, legal assistance, and language training. To improve outreach, such institutions should work closely with migrant civil society organisations. The information should be provided as much as possible in the languages of the migrants. Providing emergency assistance, legal support and training to migrant workers are particularly important, as they were one of the groups most vulnerable to the COVID-19 pandemic (ILO, 2021^[70]). Given the large intra-regional migration flow, regional co-operation in migration policies would need to be strengthened to improve cross-border recruitment and integration services.

Box 4.1. Country examples relevant to supporting employment for disadvantaged groups

Cambodia's efforts to promote female participation in the labour market

Each line ministry in Cambodia has a gender working group responsible for developing and implementing a GMAP. For instance, the Ministry of Labour and Vocational Training is committed to promoting gender equality through initiatives in the areas of employment, migration and vocational training. The Ministry of Commerce developed a GMAP providing concrete initiatives to assist women business owners in expanding their businesses. The Ministry of Agriculture, Forestry and Fisheries developed a GMAP to promote greater inclusion of women in the civil service and allow more capacity for rural women to have stronger rights for social land concession, participating in the private sector, participating in village and community groups, credit and extension services.

Lao PDR's Poverty Reduction Fund

The Poverty Reduction Fund was established to narrow Lao PDR's gender gap in labour market participation and facilitate women's involvement in income-generating activities. Under the fund, the Road Maintenance Groups programme was established to connect women to paid jobs in the infrastructure sector, targeting those from the poorest households in remote areas of Lao PDR. In addition, training was provided to ensure that the women acquired the right skills to carry out their new jobs and that women participated in decision-making processes (i.e. for the allocation of resources and management of project funds) related to the programme.

Netherland's jobseeker profiling

In the Netherlands, a digital profiling tool called Work Profiler determines the probability that a job seeker will resume work within a year and offers a quick diagnosis of the job seeker's obstacles to returning to work. The tool is based on 11 factors, including age, years of work experience, views on return to work, job search behaviour, and physical and mental work ability. The selection of factors can shed light on how risk factors associated with disadvantaged groups, such as having a disability or low psycho-social capacity, can affect the chances of resuming employment. Each job seeker fills in the questionnaire electronically before three months of unemployment. The outcome of the questionnaire determines whether the job seeker is entitled to intensive support to increase the chances of finding a job. The tool is used in about one-third of all unemployment offices in the Netherlands.

Philippines' JobStart Philippines Programme

The Department of Labour and Employment introduced the JobStart Philippines Programme to reduce the high percentage of youth NEETs. The JSP provides young Filipinos with technical training and supports them in entering the labour market by matching job seekers with employment opportunities. JSP is developed as an employer-led programme that offers skills training, one-on-one career coaching and opportunities for technical training and internships with private-sector employers.

Singapore's Settling-In Programme to support migrant workers

The SIP is a compulsory course that provides training to foreign domestic workers (FDWs) who work in Singapore. It includes information on their rights and responsibilities; adapting to living and working in Singapore; fostering good working relationships in the household; stress management; work safety, and ways to seek help when in need. All first-time FDWs are required to complete the course within the first three days of their arrival in Singapore. Their employers bear the cost of the SIP. The SIP is conducted in English or the FDWs' native languages, such as Bahasa Indonesia, Tagalog or Burmese.

Source: ADB (2015^[71]), *Promoting Women's Economic Empowerment in Cambodia*, www.adb.org/sites/default/files/publication/156499/promoting-womens-economic-empowerment.pdf; Lao PDR Ministry of Agriculture and Forestry (2018^[72]), *How We Work – Our Approach*, www.prflaos.org/feature-article/how-we-work-our-approach; Wijnhoven and Havinga (2014^[73]), *The Work Profiler: A Digital Instrument for Selection and Diagnosis of the Unemployed*, <https://doi.org/10.1177/0269094214545045>; ADB (2018^[74]), *Reducing Youth Not in Employment, Education, or Training through JobStart Philippines*, <https://dx.doi.org/10.22617/BRF189205>; ASEAN (2017^[75]), *Compendium on Migrant Worker's Education and Safe Migration Programmes*, <https://asean.org/wp-content/uploads/2012/05/ASEAN-Compendium-on-Workers-Education-and-Safe-Migration-Programmes.pdf>; World Bank (2020^[76]), *Women pave the way for paid jobs and poverty reduction in Laos*, www.worldbank.org/en/news/feature/2020/11/25/women-pave-the-way-for-paid-jobs-and-poverty-reduction-in-laos.

Recommendations for reducing barriers to employment for disadvantaged groups

- Facilitate women's participation in the labour market through the promotion of a more equitable distribution of housework and encouraging flexible work arrangements.** Governments should promote a more equitable distribution of housework to ensure women have the time and energy to participate more fully in the formal labour market. Social campaigns and awareness-raising training should be provided to change perceptions about gender roles and overcome prejudices against female participation in the formal labour market. Furthermore, governments should promote flexible work arrangements, such as flexible working hours, part-time work and remote working, to encourage and facilitate the participation of women in the formal labour market. This can be done, for example, by reviewing and adjusting regulatory and legal frameworks where necessary to ensure that they do not discourage flexible forms of employment, including part-time work, through excessive restrictions. Governments could also provide incentives to SMEs (e.g. tax breaks, subsidies, grants) to adopt the infrastructure (e.g. work laptops, software, Internet connections) and flexible working practices needed to allow employees to work from home.
- Support youth employment through tailored and online employment services.** Employment service providers across Southeast Asian countries should use digital solutions to improve the tailoring of employment services for youth. Digital solutions, such as AI and advanced algorithms, leverage big data to identify the specific skills profile of job seekers among youth, compare them with all available job vacancies in real-time and find the best possible match. Based on the proposed matches tailored to each youth job seeker, the employment service providers can prioritise and decide which kinds of support (e.g. re-skilling training solutions, job application support, employment incentives) would best match clients' needs to increase their employment chances. Furthermore, since youth are typically more used to online solutions than older adults, online employment services could be particularly well-suited to reach and engage youth. Typical employment services that could also be provided on line include career guidance, mental counselling, support with preparing resumes and CVs, mock interviews, skills profiling and training, among others. Employment service providers can use a range of online communication tools, portals, platforms, apps and texting to interact with youth.
- Enhance migrant employment possibilities through job search support, legal counselling, and language training from specialised institutions for migrants.** Southeast Asian countries should create and expand specialised institutions, such as the MRCs, to support migrant workers

in finding employment. Such institutions provide migrants with relevant employment information to support job searches, legal counselling and language training. Furthermore, such institutions could support employers with any administrative procedures needed to hire migrants. In addition, awareness about the services from such migrant-specialised institutions should be raised by reaching out to migrants through migrant civil society organisations that can communicate with migrants in their own languages, and which may already also provide other complementary services, such as food and shelter. Finally, given the large intra-regional migration flow, regional co-operation in migration policies should be strengthened to improve cross-border recruitment and integration services.

Facilitating the transition of workers from the informal to the formal labour market

The use of skills at work differs largely between informal and formal employment. Informal employment constitutes employment relationships that are – whether in law or practice – not subject to national labour legislation, social protection, income taxation or entitlement to employment benefits (Box 4.2). Higher levels of informal employment are prevalent in countries with lower GDP, lower Human Development Index, lower productivity and higher poverty levels. Both informal and formal employment can exist within the same labour market (OECD/ILO, 2019^[77]). The nature of employment influences the type of work individuals carry out – and consequently, how extensively they can use their skills and competencies in the workplace – as well as the compensation they receive from their employers in exchange for their labour.

Box 4.2. Definitions of informal and formal employment

Informal employment

Informal employment constitutes employment relationships that are – whether in law or practice – not subject to national labour legislation, social protection, income taxation or entitlement to employment benefits (e.g. paid annual or sick leave, advance notice of dismissal, severance pay). It is usually undeclared by employers or employees and is associated with temporary work, casual jobs and jobs with working hours or wages below a specified threshold. Informal employment covers own-account workers and individuals employed by firms operating in the informal sector, as well as contributing family workers of family-owned small businesses.

Formal employment

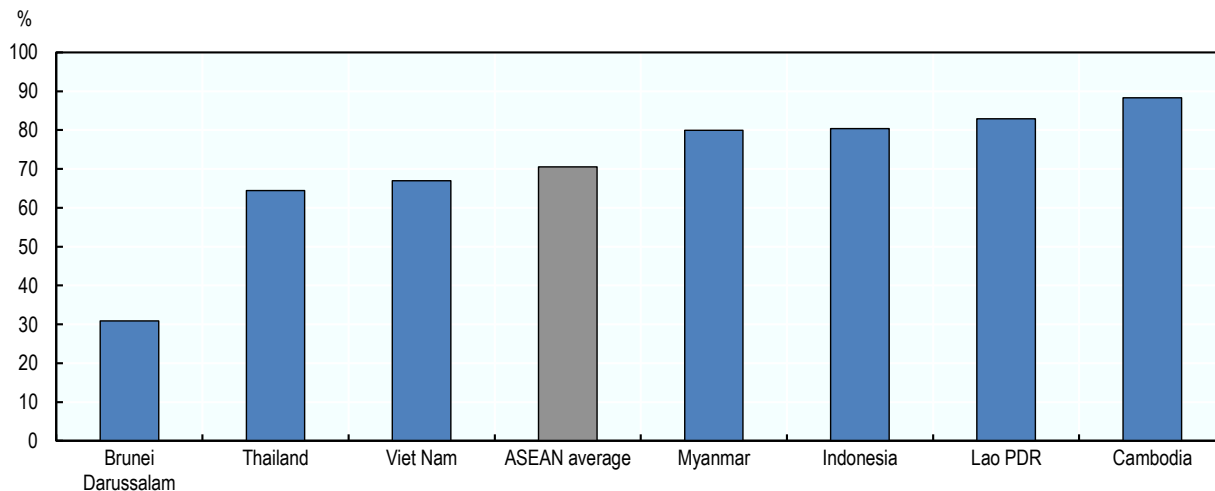
Formal employment is covered by a contractual arrangement that is registered with state authorities, and that regulates employer-employee relationships, such as for income taxation and social protection purposes. Formalisation normally entails registering businesses and jobs, acquiring a licence to operate and regularly paying taxes. Individuals with formal employment have multiple benefits, such as higher pay, compensation packages (including social protection), membership with trade unions, and employer-sponsored training, among others.

Source: Dasgupta (2016^[78]), *Moving from informal to formal sector and what it means for policymakers*, <https://blogs.worldbank.org/jobs/moving-informal-formal-sector-and-what-it-means-policymakers>; Kaplan (2009^[79]), *What does formal mean anyway?*, <https://blogs.worldbank.org/psd/what-does-formal-mean-anyway>; OECD and ILO (2019^[77]), *Tackling Vulnerability in the Informal Economy*, <https://doi.org/10.1787/939b7bcd-en>.

Widespread informal employment in Southeast Asia is a policy concern. On average, 71% of those employed are employed in the informal sector in ASEAN countries. Cambodia (88%) has the highest proportion of informal employment, followed by Lao PDR (82.9%), Indonesia (80.4%) and Myanmar (79.9%), while Brunei Darussalam (30.9%) has the lowest share among countries with available data (Figure 4.7).

Figure 4.7. Rate of informal employment in Southeast Asia, 2021

Percentage of total employment



Note: Due to a lack of data, the latest available year was used for the following countries: Lao PDR (2017); Thailand (2018); Brunei Darussalam, Cambodia, and Indonesia (2019); Viet Nam (2020).

Source: ILOSTAT (2021^[80]), *Informal employment rate by status in employment (by sex) (%)*, <https://ilostat.ilo.org/topics/informality/>.

StatLink  <https://stat.link/ajzi43>

A large informal labour market discourages the full use of workers' skills and hampers a country's economic growth prospects. Since informal workers often lack basic income security, opportunities for skills development, social protection and healthcare, the incentive to work in the informal labour market and to use one's skills there is weak. This can discourage individuals from participating in the labour market altogether and then lead to a reduced overall skills supply in the labour market (OECD, 2019^[2]). In addition, individuals working in the informal labour market are typically employed in small firms that lack strong management and workplace practices for making efficient use of workers' skills. As a result, these environments are often characterised by low productivity. Whereas some individuals work informally by choice, evidence suggests that, globally, about 85% of all informal workers are in precarious employment, not through choice but due to a lack of opportunities in the formal sector (IMF, 2021^[81]). Moreover, a large informal labour market has repercussions more broadly since firms and individuals operating in the informal sector pay no or limited taxes, reducing government revenues and limiting possibilities to implement redistributive policies. As a result, a large informal labour market keeps a country below its full economic potential (IMF, 2021^[81]).

A large informal labour market also limits labour market inclusiveness and harms overall social cohesion. Participants in the informal labour market are disproportionately disadvantaged groups, such as women, youth and migrants, who often lack other options in the formal sector. Therefore, reducing informality can help improve the employment prospects of disadvantaged groups, reducing pay gaps and counteracting occupational segregation (ILO, 2020^[62]; OECD, 2017^[40]). Supporting the transitioning of workers from the informal sector to decent work opportunities in the formal sector could encourage more people to participate in the labour market generally and, thereby, contribute to the more effective use of available skills while at the same time improving social cohesion. To facilitate the transition of workers from the informal to the formal labour market, this policy direction presents two areas for Southeast Asia to facilitate the transition of workers from the informal to the formal labour market: 1) improving the process of formally registering workers and firms; and 2) improving the enforcement of labour laws and regulations.

Southeast Asian countries acknowledge the prevalence of informal employment in the region and the negative impacts it can have on individuals and society. In response to high informality in the region, in 2016, the ASEAN member states adopted the Vientiane Declaration on Transition from Informal Employment to Formal Employment Towards Decent Work Promotion in ASEAN at the 28th and 29th ASEAN Summit. The plan promotes joint work and sharing knowledge and best practices to address informality in employment. In addition, it discusses methodologies to analyse barriers to formalisation in the national context and support the design and implementation of measures that facilitate the transition to formal employment (ILO, 2019_[14]). Individual countries have also put in place initiatives to help informal workers transition into the formal economy. For instance, in Indonesia, the Ministry of Manpower and Transmigration oversees technical and vocational education and training (TVET) centres, known as Balai Latihan Kerja (BLK), which offer free vocational training to informal workers and provide them with formal educational qualifications, helping them find jobs in the formal sector (Box 4.3).

Low levels of skills are both a cause and a consequence of informal employment. People with lower levels of skills are typically less productive and, as a result, do not generate sufficient profits for firms to justify paying the additional costs associated with formalising their employment. As a result, these individuals often find themselves working in the informal labour market. Indeed, evidence suggests that knowledge and skills gaps between informal and formal workers is one of the barriers to workers transitioning from the informal to the formal labour market in Southeast Asia (ILO, 2019_[14]). At the same time, those working in the informal labour market often find themselves stuck in jobs that only require low levels of skills and with few opportunities to upskill and reskill, which further limits their opportunities to develop higher levels of skills, increase their productivity and transition to the formal sector (Ciccone, Roncarati and Chaykamhang, 2019_[82]). Consequently, the skills of workers in the informal sector may remain low or even atrophy and/or become obsolete (ILO, 2019_[83]). These workers are particularly vulnerable in a world being transformed by digitalisation, automation, and other megatrends that are reshaping and increasing the skills needed for success in work and participation in society (see Chapter 2).

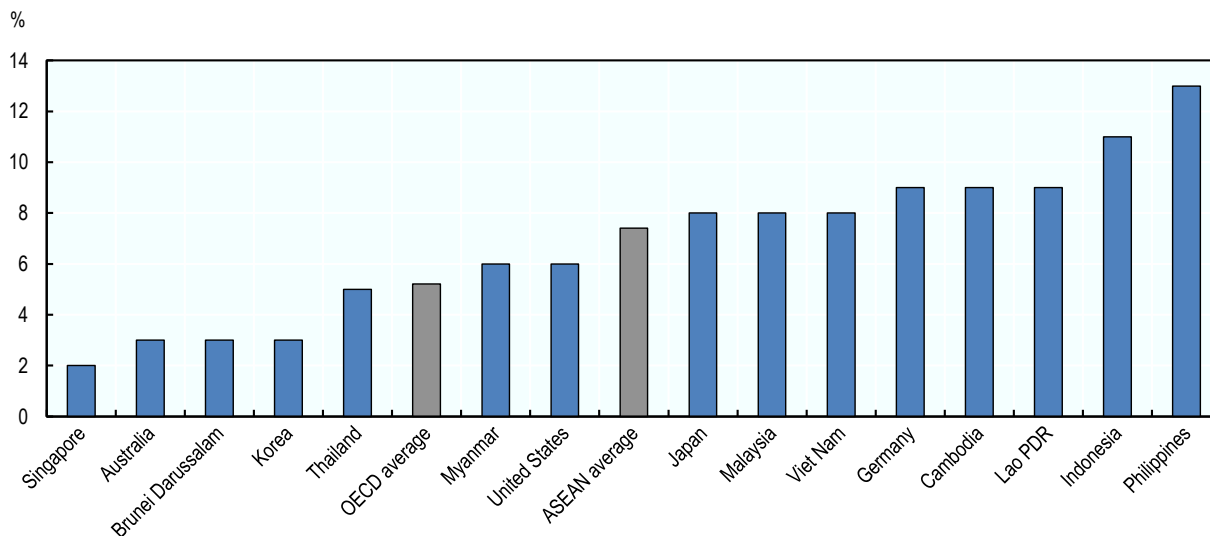
The informal labour market can be reduced when an enabling environment supports firms and workers to join the formal labour market (Chacaltana, Leung and Lee, 2018_[84]). An enabling environment entails simplifying the process of firms and self-employed workers to formally register and having strong enforcement mechanisms for labour laws and regulations. Both are discussed in the following sub-sections.

Improving the process of formally registering workers and firms

Barriers for workers transitioning to the formal labour market in Southeast Asia include burdensome and lengthy administrative procedures to register firms and workers. The required time and energy for registration procedures are an incentive for firms and self-employed workers to remain in the informal sector and thereby constrain the full and effective use of the skills of their workers (ILO, 2019_[83]). The number of procedures to register a new business, whether as self-employed or with employees, vary greatly across Southeast Asian countries. In some countries, it takes less than one day to process and can be done completely on line by simply submitting a few documents to the website or sending a text message (ILO, 2019_[83]). On the other hand, in other Southeast Asian countries, registration involves numerous procedures, such as transactions necessary to obtain permits and licences, inscriptions, verifications and notifications needed to start operations. Sometimes it requires submitting several documents to different locations physically, and the whole process can take up to three months (Figure 4.8).

Figure 4.8. Ease of registering a new business in Southeast Asia and selected OECD countries, 2019

Number of procedures to register a new business



Note: This indicator covers procedures required to start a business, including transactions necessary to obtain permits and licences, as well as all inscriptions, verifications and notifications needed to start operations.

Source: World Bank (2019^[85]), *Doing Business Project*, www.worldbank.org/en/programs/business-enabling-environment.

StatLink  <https://stat.link/gmqjda>

Simplifying administrative procedures and processes for registering workers and businesses can help to reduce informality. Evidence suggests that new technologies could significantly make business registration procedures less time- and resource-consuming (Chacaltana, Leung and Lee, 2018^[84]). Fewer procedures and user-friendly registration websites and applications make registering easier and faster than applications submitted in person. Many Southeast Asian governments have streamlined business registration procedures, brought the relevant registration desks under one roof, and created online platforms to make it easier and faster to register workers and/or businesses (Table 4.5).

Many Southeast Asian countries can do more to simplify registration procedures. The simplification should reduce the time taken for processing and confirming registration and make registration procedures more user-friendly. The user-friendliness and attractiveness of a website can be measured by the bounce rate, which represents the average percentage of visitors who view only one page before leaving the website (Silva, 2022^[86]). While some Southeast Asian governments' business registration portals, such as those of Brunei Darussalam, Malaysia, Myanmar, the Philippines and Singapore, have bounce rates that fall within – or close to – the optimal range of 26-40% (Zantal-Weiner, 2022^[87]), those of other Southeast Asian countries, such as Viet Nam, have extremely high bounce rates, which casts doubts on a website's effectiveness in being able to help its users register or maintain a business on line (Table 4.5).

Several OECD countries use online platforms to simplify registration procedures and process registration in just a few days. For example, in Korea, entrepreneurs can register their businesses on line at a state-run website, Home Tax, if they attach the necessary documents, such as the registration form and a lease agreement (National Tax Service of Korea, 2015^[88]). The mobile application also allows businesses to check the status of the registration process, which usually takes up to three days. Argentina and Estonia also offer good examples of using technology to simplify and quicken the registration of workers and businesses (Box 4.3).

Table 4.5. Online platforms for registering workers and businesses in Southeast Asia

Country	Website	Description	Bounce rate
Brunei Darussalam	One Common Portal (OCP)	The OCP initiative by the Ministry of Finance and Economy brings all online services together onto a single online platform. It allows users to register their new businesses and maintain them, providing them with resources and guides on a wide variety of topics.	22.8%
Cambodia	The Single Portal	The Single Portal is Cambodia's new online business registration portal that unifies all procedures to set up a business. It improves on previous business registration procedures such that it no longer requires applicants to register their businesses at different ministries through different methods.	n/a
Lao PDR	Inventory of Business Licenses	The portal contains all relevant information needed to operate businesses, including how to register a company and search for information about tariffs and measures. It also consolidates all relevant links and information about trades and investments in Lao PDR and relevant policies related to business and trade.	n/a
Malaysia	MalaysiaBiz	The portal provides several services, such as business licensing applications, business registration applications and the purchase of business or company profile data.	42.35%
Myanmar	Myanmar Companies Online (MyCO)	Run by the Directorate of Investment and Company Administration, MyCO allows applicants to register their companies and find information on all companies registered in Myanmar.	32.11%
Philippines	Central Business Portal (CBP)	The CBP provides a single site for all business-related information and transactions, such as securing business permits, licences and clearances. It involves all agencies involved in the business registration process, such as the Securities and Exchange Commission, Bureau of Internal Revenue (BIR), Social Security System, PhilHealth and the Home Development Mutual Fund (Pag-IBIG) Fund.	41.37%
Singapore	Bizfile+	BizFile+ is the business filing portal of Singapore's Accounting and Corporate Regulatory Authority. It provides multiple services and covers all steps, from starting to closing a business.	21.16%
Viet Nam	National Business Registration Portal	The portal is a website for organisations and individuals to implement online business registration, access information about business registrations and receive business registration certificates.	67.14%

Note: Bounce rate refers to the average percentage of visitors who view only one page before leaving the website.

Source: Brunei Darussalam Ministry of Finance and Economy (2021^[93]), *One Common Portal*, www.ocp.mofe.gov.bn/; Cambodia Ministry of Economy and Finance (2020^[90]), *Single Portal*, www.registrationservices.gov.kh/; Government of Singapore (2020^[91]), *Bizfile+*, www.bizfile.gov.sg/; Indonesia Investment Promotion Center (2017^[92]), *One Stop Service Center (PTSP Pusat)*, www3.investindonesia.go.id/en/how-we-can-help/one-stop-service; Lao PDR Department of Enterprise Registration and Management (2020^[93]), *Inventory of Business Licenses*, <http://bned.moic.gov.la/en>; Malaysia Ministry of Entrepreneur Development and Cooperatives (2019^[94]), *MalaysiaBiz*, <https://malaysiabiz.gov.my/ms>; Myanmar Directorate of Investment and Company Administration (2017^[95]), *Myanmar Companies Online (MyCO)*, www.myco.dica.gov.mm/; Philippine Anti-Red Tape Authority and Philippine Department of Information and Communication Technology (2021^[96]), *Central Business Portal*, <https://business.gov.ph/home>; Thailand Board of Investment (2009^[97]), *One Start One Stop Investment Center*, <https://osos.boi.go.th/One-Stop/home/>; Viet Nam Ministry of Planning and Investment (2018^[98]), *National Business Registration Portal*, <https://dangkykinhdoanh.gov.vn/en/Pages/default.aspx>.

Improving the enforcement of labour laws and regulations

Another barrier to formality is the weak enforcement of laws and regulations. Ineffective and insufficient labour inspection contributes to the prevalence of informality, which prevent people from using their skills effectively (ILO, 2019^[83]). Stronger and more effective labour inspections help ensure that labour codes are followed in the workplace and that workers are registered and work under decent working conditions. Evidence suggests that a rise in labour inspections can lead to an increase in formal employment and a decrease in informal employment (Almeida and Carneiro, 2012^[99]).

However, several stakeholders consulted during the project noted that weak enforcement is one of the main challenges to expanding formal sectors in Southeast Asia. While some policies to reduce informality are in place, their implementation has been challenged by institutional limitations, such as a lack of

capacity for conducting inspections and inefficient inspection mechanisms, among others. Some Southeast Asian countries have promising initiatives that aim to address these problems, however. For example, Cambodia's Ministry of Labour and Vocational Training launched an online platform in 2021 to facilitate firms' participation in labour inspection practices by digitalising the inspection process, particularly during the COVID-19 pandemic. The platform covers various enterprises working in textiles, garments, footwear and travel goods (Rendall, 2021^[100]).

Southeast Asian countries should put further efforts into strengthening enforcement mechanisms. While strengthening enforcement mechanisms can lead to benefits of expanding the formal labour market, it is important to implement these in such a way that they do not constitute unnecessary higher administrative workloads (Maiti and Bhattacharyya, 2020^[101]). Evidence suggests that technologies can significantly raise the efficiency of enforcement mechanisms (e.g. inspection procedures). Technologies can offer many benefits to inspection bodies and workers, such as simplifying the work of inspectors, enabling better monitoring and follow-up on inspections, generating systematic statistics and improving transparency (ILO, 2017^[102]). For instance, Sri Lanka has introduced the Labour Inspection System Application (LISA) – a tablet-based application to support labour inspection – which allows inspectors to take pictures, write inspection reports and upload them directly using their tablets. The application helps to monitor cases, ensuring better efficiency and compliance with labour laws, compared to previous methods, which required inspectors to carry more than ten different forms and a bulky record book. Argentina provides another good example that uses a digital tool to improve the efficiency and effectiveness of labour inspections and contributes to increasing formality (Box 4.3).

Box 4.3. Country examples relevant to facilitating the transition of workers from the informal to the formal labour market

Estonia's electronic employment registration

The Estonian Tax and Customs Board launched the electronic register in July 2014 to enable employers to easily register all employees with the board, providing workers with access to information about medical insurance and pensions. Due to simplified compliance procedures, the electronic register reduces the costs of becoming formalised in the labour market. In addition, the electronic solution eliminates the need for in-person visits to a service bureau for registration. Registration can now occur in a variety of ways, including web registration through the e-Tax Board/eCustoms websites; via a machine-to-machine interface using Xroad technology; and mobile registration via a phone call or SMS message. Furthermore, employers no longer need to submit employment information to the Estonian Health Insurance Fund or the Estonian Unemployment Insurance Fund, as the information is available and easily accessible from the national register.

Argentina's Digital Inspector Scheme

Argentina adopted a tool called Digital Inspector in 2011 to reduce labour informality and improve the accuracy and effectiveness of verifying all workers in the inspected firm as registered at the time of inspection. Under the scheme, labour inspectors have been provided with Netbooks (tablets), which have installed the Digital Inspector software and are equipped with a wireless Internet connection. The software is linked to the databases of the National Social Security Administration and the Employment Registry (Simplificación Registral), managed by the Federal Administration of Public Revenues (AFIP), where employers are obliged to register all workers. Using Digital Inspector, inspectors can enter the identification number of the worker and verify if they are registered and if their contributions have been paid in real-time during their field visits by consulting the databases. If the inspector detects an infraction, he or she immediately sanctions the firm for not registering their workers. If there are outstanding contributions, he or she alerts AFIP and estimates the debt and fines.

Indonesia's vocational training programme to help informal workers find jobs in the formal sector

The Ministry of Manpower and Transmigration oversees TVET centres known as Balai Latihan Kerja (BLK). The BLK centres provide vocational training so that informal workers can receive a formal education qualification, enabling them to find jobs more easily in the formal labour market. Courses are free and are offered in all provinces and some districts. The BLK programmes cover sectors such as hotel, tourism, information technology, agriculture, construction and commerce, among others. Provincial and district governments administer the majority of BLK centres.

Source: Bai and Paryono (2019^[103]), *Vocational Education and Training in ASEAN Member States: Current Status and Future Development*, <https://doi.org/10.1007/978-981-13-6617-8>; Chacaltana, Leung and Lee (2018^[84]), *New Technologies and the Transition to Formality: The Trend towards E-formality*, www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_policy/documents/publication/wcms_635996.pdf; ILO (2012^[104]), *Social Protection Assessment-based National Dialogue: Towards a Nationally Defined Social Protection Floor in Indonesia*, www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/publication/wcms_195572.pdf.

Recommendations for facilitating the transition of workers from the informal to the formal labour market

- **Facilitate the registration of workers and businesses by making online business registration platforms more user-friendly and simplifying registration procedures.** Governments should improve online registration platforms to make navigating and uploading necessary documents easier. In addition, alternative channels should be provided to register (i.e. websites, mobile applications, one-stop-shops for SMEs) so that people can use the channel most convenient for them. Governments should also eliminate unnecessary or repetitive administrative steps and streamline registration procedures to reduce the time needed to process and confirm registration.
- **Improve the effectiveness and efficiency of labour inspection by adopting new technologies to ease the verification of workers' employment status.** Governments should adopt digital tools that facilitate labour inspection to strengthen the enforcement of laws and labour regulations. This could be done, for example, by providing inspectors with tablets linked to employment and tax databases. Such technologies can help inspectors to more easily verify whether businesses and workers are registered and are working formally during field inspections. In addition, with the same labour inspection technology provide the option for inspectors to immediately report employers who are committing infractions (e.g. unregistered workers, failure to pay taxes) and pursue the appropriate penalties and interventions.

Opportunity 2: Making intensive use of skills in work and society

Making full and effective use of people's skills at work benefits individuals, firms, and society. For example, for workers, higher levels of skills use at work are positively associated with higher wages, higher job satisfaction and greater well-being. For firms, making better use of workers' skills is associated with higher productivity, higher profits and lower staff turnover. At the country level, using skills effectively is also associated with higher labour productivity and more inclusive economic growth (OECD, 2015^[105]; 2016^[27]; 2019^[2]).

Intensive use of skills outside of work is equally important. Individuals who report using their skills more fully in everyday life are also more likely to report having higher levels of trust and political efficacy, greater participation in voluntary activities and better health. The more intensive use of skills in everyday life, such as reading books, also indirectly supports the skills development of individuals and their children (OECD, 2012^[1]).

Opportunity 2 describes two policy directions to make intensive use of skills in work and society. First, it explores how Southeast Asian countries can strengthen skills use in the workplace through the increased

adoption of HPWPs. Second, it considers how Southeast Asian countries can promote skills use in everyday life through policies that encourage participation in civil society, such as community organisations and associations.

Promoting skills use in the workplace through the greater adoption of high-performance workplace practices

Adopting practices known to positively affect the performance of employees and businesses, referred to as high-performance workplace practices (HPWPs), can lead to more intensive use of skills at work. HPWPs, such as a flexible work environment, teamwork and information sharing, and career progression and performance management policies (see Box 4.4 for more details), as well as the development of managerial skills, are strong determinants of the level of skills use of employees, more so than firm size, skill proficiency of workers, industry, occupation or country effects (OECD, 2019^[2]). The recent COVID-19 crisis makes the adoption of HPWPs even more important as firms need to quickly introduce health and safety measures in workplaces and adopt technological solutions and managerial practices to allow workers to work productively from home when possible.

Box 4.4. Definition of high-performance workplace practices and how to measure them

Despite considerable literature on HPWPs, there is no consensus on the exact definition. There is no universal list of HPWPs that can be applied to an organisation as their effect can depend heavily on organisational context.

Organisations should implement a system of practices that complement and reinforce each other and that fit the specific organisation.

The OECD Centre for Skills applies a pragmatic approach and has identified the following four broad categories of HPWPs based on existing taxonomies and driven by available data on underlying indicators:

1. **Flexibility and autonomy:** Including flexibility in working time and tasks, involvement in setting tasks, planning activities and applying own ideas.
2. **Teamwork and information sharing:** Including receiving support from colleagues, working in a team, and sharing work-related information with colleagues.
3. **Training and development:** Including participation in continuing vocational training and on-the-job training.
4. **Benefits, career progression and performance management:** Including bonuses, career advancement, performance appraisal and competency profiles.

Source: OECD (2019^[2]), *OECD Skills Strategy 2019: Skills to Shape a Better Future*, <https://dx.doi.org/10.1787/9789264313835-en>; OECD (2016^[27]), *Skills Matter: Further Results from the Survey of Adult Skills*, <https://dx.doi.org/10.1787/9789264258051-en>; Belt, Giles and CIPD (2009^[106]), *High Performance Working: A Synthesis of Key Literature*, <http://dera.ioe.ac.uk/id/eprint/9239>; Posthuma et al. (2013^[107]), *A High Performance Work Practices Taxonomy: Integrating the Literature and Directing Future Research*, <https://dx.doi.org/10.1177/0149206313478184>; Sung and Ashton (2005^[108]), *High Performance Work Practices: Linking Strategy and Skills to Performance Outcomes*, www.longwoods.com/articles/images/High%20Performance%20Work%20Practices_UKReport2011.pdf.

Internationally, higher adoption rates of HPWPs are associated with higher use of information-processing skills, such as reading (Figure 4.9). For example, in Singapore (26.5%), the share of jobs employing HPWPs is close to the average of OECD countries (27.4%), while the share in Indonesia (Jakarta, 5.3%) is very low by international comparison.¹ The adoption of HPWPs has also been found to be positively associated with the use of other skills at work, such as writing, numeracy, ICT and problem solving

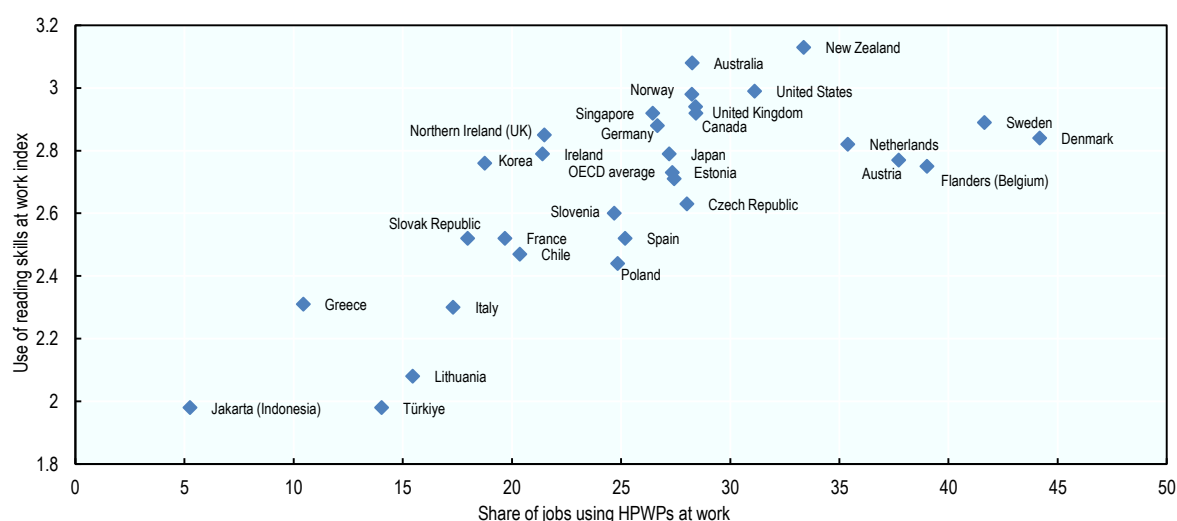
(Figure 4.3). To encourage the adoption of HPWPs among firms and intensify the use of skills in the workplace, Southeast Asia can: 1) provide information on HPWPs; and 2) strengthen managerial skills to facilitate the implementation of HPWPs.

Providing information on HPWPs


Southeast Asian countries face challenges in promoting HPWPs due to a lack of information and managerial skills, particularly among SMEs. Evidence shows that information on HPWPs is rather limited in the region, preventing the adoption of HPWPs and, by extension, intensive use of skills (Asmawi and Chew, 2016^[109]). In many countries, HPWPs are more commonly employed in large firms, while SMEs face relatively higher barriers to implementing these practices. SMEs have difficulty accessing and retaining information about HPWPs and lack the capacity to manage human resources to adopt HPWPs (OECD, 2019^[2]). This is concerning as SMEs dominate the business environment in Southeast Asia, accounting for about 97% of a country's total firms, on average, in the region (ADB, 2020^[110]).

Figure 4.9. Relationship between the use of reading skills at work and the adoption of HPWPs, 2018

Index of frequency of skills usage on a scale of 1 (least frequent) to 5 (most frequent) vs percentage of jobs using HPWPs



Source: OECD (2018^[29]), *Survey of Adult Skills (PIAAC)*, <http://www.oecd.org/skills/piaac/>.

StatLink  <https://stat.link/lzym8o>

Policies that make firms aware of the benefits of adopting HPWPs could be an important first step towards improving the performance of firms in the region. Some Southeast Asian countries provide information and resources to firms about HPWPs and have support programmes in place. For example, Viet Nam offers the Sustainable Competitive and Responsible Enterprises (SCORE) programme, which increases awareness of responsible workplace practices and provides consulting and training services on workplace co-operation, quality management and human resources management. The programme helps increase the productivity of SMEs and supports them in accessing global supply chains (Box 4.5). Another example is Enterprise Singapore, the main government agency supporting firms, especially SMEs, to improve productivity by introducing business excellence models and encouraging technology adoption. Enterprise Singapore provides grants, advice, subsidised consultancy and diagnostic toolkits to improve work processes to implement HPWPs and adopt technology to raise productivity (Enterprise Singapore, 2022^[111]).

Stakeholders consulted during the project noted that, in many cases, relevant information on HPWPs is often fragmented and difficult to access in Southeast Asian countries. Except for a few countries in the region, such as Malaysia, the Philippines and Singapore, ministries of labour or related agencies often do not have centralised portals to consolidate information on HPWPs and the policies governments offer to assist firms in implementing them. In many cases, information on different types of HPWPs – where such information exists in the first place – is scattered across different webpages or ministries, making it difficult to form a comprehensive view of the whole range of HPWPs that could be tailored and adopted based on firms' needs. Moving forward, Southeast Asian governments could make greater efforts to support all firms, including SMEs, in accessing relevant information on how to organise their workplaces to optimally use the skills of their employees and strengthen business performance.

As noted by many stakeholders consulted during the project, a single portal that centralises all relevant information in a country could be an efficient way to increase awareness and facilitate the adoption of HPWPs in businesses. The portal could share information on adopting HPWPs, guide employers to participate in business support programmes, and provide diagnostic tools with basic business advice (OECD, 2018^[112]). Diagnostic tools help businesses identify their business needs, challenges and opportunities by benchmarking their performance and providing direct links to relevant HPWPs and/or business support programmes. Singapore offers several good examples of online assessment tools for businesses (Box 4.5). Many OECD countries have a single online government portal that provides comprehensive information on HPWPs for businesses (OECD, 2019^[21]). For example, a business portal in Northern Ireland (United Kingdom) provides comprehensive information on HPWPs and available business support programmes in a user-friendly manner (Box 4.5).

Box 4.5. Country examples relevant to promoting skills use in the workplace through the greater adoption of high-performance workplace practices

Northern Ireland's online portal on HPWPs

The website (nibusinessinfo.co.uk) is an official online channel to share business advice and guidance in Northern Ireland. It provides essential information, support and services for large and small businesses. It also contains guidance on business regulations in the country and government services. The online portal contains a wide range of resources, case studies, checklists and guides for firms, including on how to improve working practices to boost efficiency.

Singapore's Digital business diagnostic tools

In Singapore, several online assessment tools are available to businesses. For instance, the Holistic Industry Productivity Scorecard Calculator assesses SMEs on their productivity performance across ten key indicators (labour productivity, value-added-to-sale ratio, sales per employee, sales per dollar of capital, capital intensity, capital productivity, labour cost competitiveness, labour cost per employee, profit margin, profit-to-value-added ratio). The Scorecard helps SMEs to understand their respective performance percentiles compared to industry-specific benchmarks, what productivity means, how it can be properly measured and what actions may be needed to improve productivity. The Singapore Smart Industry Readiness Index scores SMEs across three dimensions (process, technology and organisation). The scoring is based on eight criteria: operations, supply chain, product lifecycle, automation, connectivity, intelligence, talent readiness, and structure and management. The resulting performance profile helps SMEs prioritise and implement improvements in smart industry readiness. Finally, the self-assessment tool 2SHERPA supports SMEs that aim to internationalise. The tool highlights the strengths and weaknesses in the SME's export capability and potential.

Viet Nam's Sustaining Competitive and Responsible Enterprises programme

Viet Nam's SCORE programme is a practical workplace improvement programme to increase productivity in SMEs and support them in accessing global supply chains. The programme increases awareness of responsible workplace practices and provides consulting and training services. The training offered through SCORE includes topics such as workplace co-operation, quality management, clean production, human resource management, and occupational health and safety.

Source: Invest Northern Ireland (2022_[113]), *Homepage*, <https://nibusinessinfo.co.uk/>; OECD/ILO (2017_[114]), *Better Use of Skills in the Workplace: Why It Matters for Productivity and Local Jobs*, <https://dx.doi.org/10.1787/9789264281394-en>; OECD (2018_[112]), *Leveraging Business Development Services for SME Productivity Growth: International Experience and Implications for United Kingdom Policy*, www.oecd.org/industry/smes/Final%20Draft%20Report_V11.pdf.

Strengthening managerial skills to facilitate the implementation of HPWPs

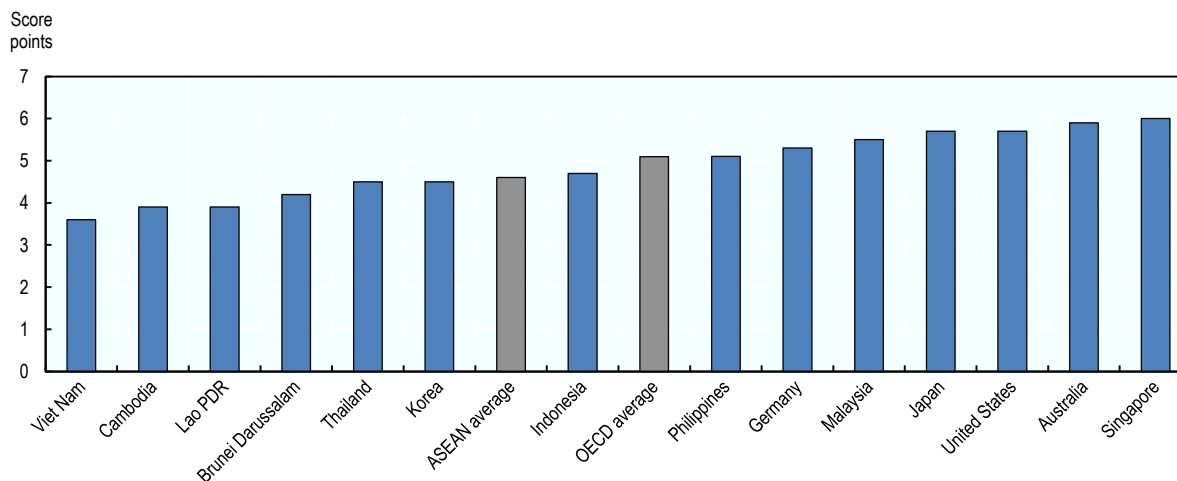
Policies that promote the adoption and development of HPWPs need to be complemented with programmes to develop managerial skills. Higher management capacity can lead to greater adoption of HPWPs and the improved use of employees' skills. Skilled managers are more likely to appreciate the importance of skills and innovation for the success of a business (Le Moueli and Squicciarini, 2015_[115]). Various studies show that managers and leaders should have diverse skill sets, with strong leadership and entrepreneurial skills, such as the ability to build teams, motivate, communicate, mentor, think strategically and assess risk (OECD, 2010_[116]; 2011_[117]). Strong managerial skills are particularly important in the context of megatrends and the COVID-19 crisis, which are driving significant changes in the economy and require firms to adapt accordingly to how they conduct business and organise their workplaces (see Chapter 2). The recent expansion of remote working has created new challenges for managers to implement management approaches that motivate employees, build trust and foster open communication.

Management capacity in Southeast Asian countries can be improved (Figure 4.10). A common indicator to measure management capacity is the extent to which firms engage in merit-based employment in senior management positions. The indicator has a seven-point scale from one, where usually relatives or friends are hired without regard to merit, to seven, where professional managers are chosen according to merit and their qualifications. Across most Southeast Asian countries, the average score for firms in terms of their reliance on professional management is relatively low (4.6 on average) compared to the OECD average (5.1). The exceptions are Singapore (6) and Malaysia (5.5). A lack of managerial skills is often a bigger problem and one of the main barriers to growth for SMEs compared to larger firms since SMEs, relative to larger firms, are more resource-constrained with respect to the recruitment and development of high-quality managers (OECD, 2021_[56]).

Considering the large share of SMEs (97% of all firms) in the region, policies that prioritise the development of managerial capacities for SMEs should be promoted. Sufficient formal and informal networking and mentoring opportunities between SMEs and larger firms can help SMEs observe and absorb lessons on effective managerial practices from larger firms (OECD, 2021_[56]). Many OECD countries use networks to improve the skills of SMEs. For example, the European Union has a project designed to build SME Learning Networks to enhance their management competency in training and human resource development. In Korea, the government provides financial incentives to large firms to form consortiums with SMEs through the National Human Resources Development Consortium (also known as CHAMP) programme. These consortiums are often formed between larger firms and SMEs that are subcontractors in the same industry and region. The larger firms can share their management know-how and workplace practices through these consortiums. The consortiums also provide training opportunities for SMEs facilitated by the larger firms and in collaboration with universities (OECD, 2020_[118]). The government partially covers training costs through the Employment Insurance Fund.

Figure 4.10. Reliance on professional management in Southeast Asia and selected OECD countries, 2019

Score points on a scale of 1 (worst) to 7 (best)



Note: Reliance on professional management measures the extent to which countries engage in merit-based employment in senior management positions. The score runs from 1, where usually relatives or friends are hired without regard to merit, to 7, where professional managers are chosen according to merit and their qualifications.

Source: World Economic Forum (2019^[119]), *Global Competitiveness Report*, www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf.

StatLink  <https://stat.link/9vlnck>

In Indonesia, Malaysia and the Philippines, the ASEAN Mentorship for Entrepreneurs Network (AMEN) supports networking and mentoring opportunities for SMEs. The network consists of a pool of mentors in the region who share best practices in management and workplace practices with SMEs so that these firms can grow. Furthermore, the network has developed ten AMEN Mentorship Modules, which train mentors on a wide variety of mentoring and pedagogical techniques, so that they can provide quality and relevant mentorship experiences that best address the specific needs of SMEs (ASEAN, 2022^[120]).

Recommendations for promoting skills use in the workplace through the greater adoption of high-performance workplace practices

- **Create a single portal in each country to efficiently disseminate comprehensive information on high-performance workplace practices to firms, especially SMEs.** Governments should centralise the currently fragmented provision of information on HPWPs for firms in a single portal. The portal should inform, guide and support firms to benchmark their performance and locate relevant support programmes. This could include, for example, making diagnostic tools available to businesses to support them in identifying their business needs, challenges and opportunities. The information provided on the portal should be made available in a business-friendly manner, for example, by sharing concise information on good practice and success stories. To help firms navigate the portal, simple guides on how to implement specific HPWPs would be helpful. The portal could be part of a broader campaign to raise awareness about the benefits of adopting HPWPs for businesses.
- **Improve the managerial skills in SMEs by providing networking and mentoring opportunities.** Governments should encourage and support network and mentoring opportunities to facilitate sharing of good managerial practices and lessons between SMEs and larger firms.

Such networking and mentoring opportunities for SMEs could be formalised through the formation of consortiums as well as be financially supported. Furthermore, to provide quality and relevant mentorship experiences, mentors for SMEs should be provided with diverse training offers that equip them with the tools and techniques they need to guide their mentees effectively.

Promoting skills use in everyday life through civic engagement and leisure activities

People's skills have important implications for how fully and effectively they participate in everyday life. People use their skills in a variety of ways in everyday life, including through civic engagement (e.g. volunteering and participating in political parties, religious groups) and participation in leisure activities (e.g. sports and recreational groups, reading books). Civic engagement activities, which are typically unpaid and non-compulsory, benefit society and allow people to help others while strengthening their skills and knowledge in ways that may enhance career or employment prospects. Participation in leisure activities, such as sports and recreational clubs, can also help to transfer and strengthen interpersonal skills and develop peer relationships (Ivaniushina and Zapletina, 2015^[121]). During sports and recreational activities, people set attainable goals, overcome challenges and learn to manage their thoughts and emotions. These activities also provide opportunities to use interpersonal skills and strengthen relationships with use.

Skills use through civic engagement and leisure activities benefit both individuals and society. The use of skills in everyday life is associated with higher levels of trust in others, institutions and governments and is associated with stronger political efficacy, higher life satisfaction and better health. Moreover, evidence suggests that positive social outcomes reinforce each other. For example, the likelihood of trusting others increases by 5 percentage points when one is active in volunteer work (OECD, 2018^[29]). At the societal level, it can contribute to fostering a more inclusive and cohesive society (OECD, 2019^[2]).

As mentioned in the section on Southeast Asia's performance in using skills effectively, there are vast differences in participation rates in volunteering across Southeast Asian countries. Participation rates range from 9% (Cambodia), 16% (Thailand), 17% (Viet Nam), the Philippines (35%) to 53% (Indonesia), with the ASEAN average being 26% (Figure 4.4). The differences may be due, in part, to public sector policies. For example, in the Philippines and Singapore, volunteering is included in the school curricula and is sometimes even required of students as a prerequisite for graduation. Southeast Asian countries with relatively low rates of participation in voluntary activities could consider making voluntary activities available as part of the school curricula to build a stronger culture of civic engagement and encourage the fuller use of skills in everyday life in adulthood. Evidence shows that early exposure to volunteerism in school can lead to higher probabilities of volunteering in adulthood, enhanced political activity and more positive views of societal participation (Oesterle, Johnson and Mortimer, 2004^[122]).

More can be done to raise awareness in Southeast Asia about the potential benefits of encouraging people to make fuller use of their skills in society and their personal lives (OECD, 2019^[2]). While several initiatives exist to promote volunteering in some Southeast Asian countries, such as Indonesia (Box 4.6), stakeholders consulted during this project noted that people are generally not fully aware of the benefits that accrue to individuals and society when people are encouraged and supported to use their skills more actively in everyday life. Southeast Asian governments can introduce awareness campaigns and provide information about the benefits of volunteering, civic engagement and reading for pleasure.

Many OECD countries organise campaigns, contests and events to promote social participation. For instance, Australia's Volunteers Programme is a government-funded programme that matches Australian volunteers with partner organisations in the Indo-Pacific region (Box 4.6). Furthermore, other OECD countries, including Austria, Denmark, Germany, Italy, Norway and Switzerland (among other 22 countries), are a part of EURead, which aims to promote reading by raising awareness of its benefits. The member countries of EURead jointly develop a structural framework for promoting reading on a national and European level. EURead organises campaigns and other events that offer awards and prizes

for reading (EURead, 2019^[123]). Adults should also be made aware of the importance of reading to their children to support their development. Schools can play an important role in creating a culture of engagement by promoting community involvement, such as volunteerism and mentorship programmes, and organising discussions and debates on political and social issues. As discussed earlier and in Chapter 3, it is important to build awareness of the benefits of skills use in life and society at a young age as early learning helps develop stronger outcomes in the future (OECD, 2015^[105]).

A user-friendly and easily accessible single portal that combines relevant information on volunteering activities and mentorship opportunities could help raise awareness of opportunities to participate more fully in society (OECD, 2019^[2]). For example, the Netherlands has an online database that shares information on volunteer initiatives and social enterprises (Box 4.6). The Philippines and Singapore also offer online portals to promote volunteer activities (e.g. www.pnvsca.gov.ph/ in the Philippines and www.volunteer.gov.sg/ in Singapore). The remaining Southeast Asian countries that do not offer similar informational portals may take these sites as inspiration.

While raising civic engagement can be beneficial to all, it is especially important to target groups with lower skill use levels. These include the unemployed, older adults and persons with disabilities. There is a need to encourage them to participate in civic engagement activities where they can make productive use of their skills (Gonzales, Matz-Costa and Morrow-Howell, 2015^[124]; Rak and Spencer, 2016^[125]). For example, financial incentives could be used to promote greater social participation by these groups. For instance, in Canada (British Columbia), a community volunteer supplement is provided to eligible persons, such as the unemployed and people with disabilities, who participate in a volunteer activity with a non-profit community agency in a designated volunteer position (Box 4.6).

Box 4.6. Country examples relevant to promoting skills use in everyday life through volunteering and civic engagement

Australian Volunteers Programme

The Australian Volunteers Programme is a government-funded volunteer programme that matches Australians with partner organisations in the Indo-Pacific region. The programme provides Australian volunteers with opportunities to develop and use their skills overseas and to realise the value of volunteering. Volunteers lend their expertise to local organisations and governments and help build better businesses, civil society organisations, government departments, and education and health organisations. In 2017-18, 1 097 Australians volunteered in 723 organisations in 26 countries with the programme's budget of approximately AUD 37 million (Australian dollars).

Canada (British Columbia)'s community volunteer supplement (CVS)

In British Columbia, a monthly CVS is provided to eligible disadvantaged groups who participate in a volunteer placement with a non-profit community agency in a designated volunteer position. A CVS with a value of up to CAD 100 (Canadian dollars) for each calendar month facilitates participation in volunteer activities by disadvantaged groups by subsidising the costs associated with the purchase of clothing, transportation or other expenses needed by the eligible person to participate in a community volunteer programme. Eligible persons include those who are 15 years or older and receive disability assistance or income assistance due to a situation making it difficult to participate in the labour market (i.e. a single parent with a young child, a person admitted to hospital for care).

Indonesian Volunteer Society (Masyarakat Relawan Indonesia)

The Indonesian Volunteer Society (Masyarakat Relawan Indonesia, MRI) is an organisation that promotes volunteering that was initially established in response to the tsunami that affected Indonesia in 2004. MRI's core activities include training volunteers to prepare them as coaches, mentors and

facilitators to promote community development. The training covers the principles of volunteerism and includes leadership, natural hazard management and humanitarian programme management, among other things. Trained volunteers are given opportunities to plan and implement action programmes in teams to assist and empower communities, especially in response to natural hazards and humanitarian crises at home or internationally.

Netherlands' online database to share information about volunteering

In the Netherlands, an online database named MAEX provides information about volunteer initiatives and social enterprises. While part of a foundation, it is supported by municipal governments. All local initiatives are published on this website. Each initiative has a profile describing what they do, the value they deliver for their target group, and who can get involved. In addition, MAEX facilitates financial transactions between initiatives on the one hand and funds, volunteer organisations, companies, governments and knowledge institutions on the other hand. For example, money can be donated via MAEX, or people can connect to initiatives, creating an efficient method for companies and individuals to invest in an initiative.

Source: Australian Volunteers Program (2020^[126]), *About Us – The Australian Volunteers Programme*, www.australianvolunteers.com/disc-over/about-us/; Indonesia Volunteer Society (2020^[127]), *Masyarakat Relawan Indonesia*, <https://relawan.id/>; MAEX (2013^[128]), *Homepage*, <https://maex.nl/>; UNDP and ILO (2018^[129]), *Youth Volunteerism and Skills Development for Economic Empowerment in the Asia-Pacific Region*, www.asia-pacific.undp.org/content/rbap/en/home/library/democratic_governance/youth-volunteerism-n-skills-development-for-economic-empowerment.html; Government of British Columbia (n.d.^[130]), *Community Volunteer Programme*, www2.gov.bc.ca/gov/content/governments/policies-for-government/bcea-policy-and-procedure-manual/general-supplements-and-programs/community-volunteer-program.

Recommendations for promoting skills use in everyday life through civic engagement and leisure activities

- **Make volunteering activities available as part of the school curricula to encourage young people to contribute their skills to society from an early age.** Schools can promote a civic engagement culture by facilitating community volunteering opportunities and organising discussions on political and social issues. Ministries could also consider awarding grants to schools to support students' participation in national or overseas community service.
- **Raise awareness about the benefits of using skills in society and personal life.** Build awareness about the benefits of active and engaged citizenship and leisure activities from a young age. Governments should introduce promotional campaigns to provide information about the benefits of using one's skills in civic and social life and encourage civic engagement and leisure activities, for example, through volunteering, reading and recreational activities. In addition, governments should provide centralised and comprehensive information about civic engagement opportunities and relevant associations to facilitate active participation.
- **Provide financial incentives to encourage adults to use skills in civil society.** Governments could provide subsidies and/or tax deductions to encourage participation in community and voluntary organisations. Subsidies can cover the cost of individual membership in such community and voluntary organisations. Governments could also introduce tax deductions or credits for participation in community and volunteer organisations. These schemes would allow individuals to claim the time spent on community and voluntary work against taxes owed. Financial incentives could be targeted at disadvantaged groups, such as the unemployed and people with disabilities, to support their increased engagement and participation in society, prevent their skills from atrophying, and in recognition that they face tighter income constraints. For example, additional benefits or a supplement, in addition to social assistance payments, could be provided to unemployed or inactive people who engage in volunteer activities.

Opportunity 3: Increasing demand for higher-level skills

While reducing skills mismatches in the labour market is important, so is boosting demand for higher-level skills. In a low-skill equilibrium, the workforce is made up of adults with low skills who are well matched with jobs requiring low levels of skills and which often offer low wages and inferior working conditions. In such an equilibrium, low-skilled workers have little incentive to upgrade their skills since they know it will be difficult to find jobs requiring those skills and rewarding their efforts. At the same time, employers fail to move to higher value-added activities due in part to the low skill levels of their workforce. Thus, low-skills equilibria hinder growth and economic development and make economies vulnerable to economic and technological shocks, such as those related to global value chains or digital transformation (OECD, 2019^[2]).

In a high-skill equilibrium, a strong supply of higher-level skills is matched by strong demand for these skills, creating the conditions for sustainable economic growth. Innovation and technological progress depend on a highly skilled workforce with the knowledge and skills to generate new ideas and technologies, bring them to the market, and implement them effectively in firms and society. At the same time, in a high-skill equilibrium, the workforce and its employers have greater incentives to invest in skills development, given that such investments are likely to reap positive returns. Therefore, effective education, training, and lifelong learning policies (see Chapter 3), as well as policies to support firms to engage in innovation and entrepreneurial activity, are important to position economies to engage in higher value-added activities that, in turn, demand and absorb an increasing supply of high-skilled and well-remunerated workers. To this end, Opportunity 3 examines two policy directions for Southeast Asian countries to increase demand for higher-level skills. First, it explores how to promote innovation and then considers how to foster entrepreneurship.

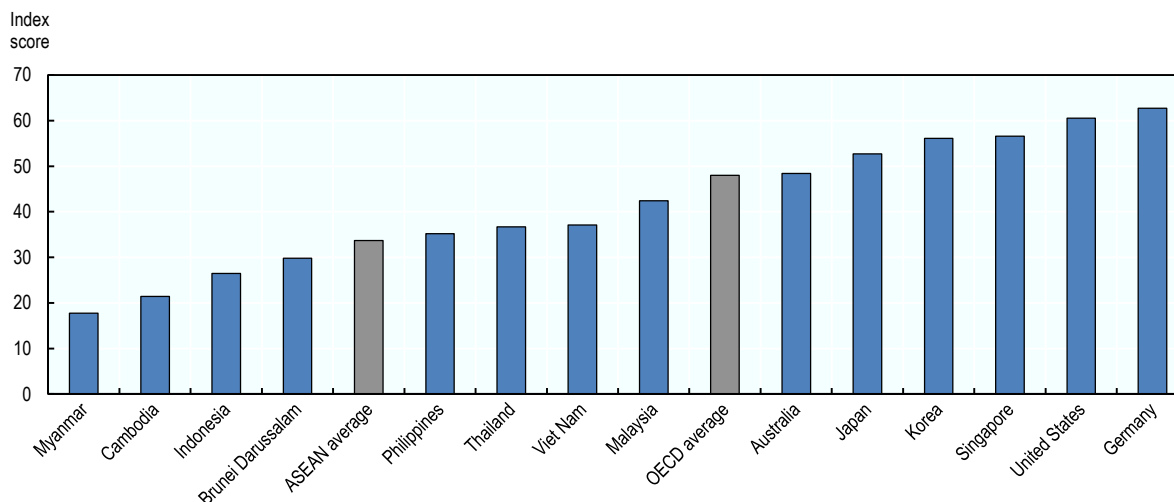
Promoting innovation to increase demand for high-level skills

Innovation varies significantly across Southeast Asian countries. The Global Innovation Index measures innovation on a 0-100 scale (with a higher score indicating high levels of innovation) across multiple dimensions, such as political and business environment, human capital and research, infrastructure, market and business sophistication, knowledge and technology output, and creative output. According to the Global Innovation Index, the score for ASEAN countries on average (34) was lower than for OECD countries on average (48) in 2020. However, innovation across Southeast Asian countries varies significantly. For example, Singapore (57) surpasses not only all ASEAN countries on this measure but also many OECD countries (Figure 4.11). Malaysia (42), Viet Nam (37) and Thailand (35) are performing slightly better than the ASEAN average but are still below the OECD average.

Skills and innovation policies can complement each other in ways that boost countries' socio-economic development. To position economies to move to higher value-added and innovation-intensive activities, education, lifelong learning and labour market policies need to be accompanied by policies supporting firms' innovative activities and entrepreneurship, as well as policies levelling the playing field for firms and removing obstacles to growth (OECD, 2019^[2]). When skills policies are well aligned with innovation policies, employers can access the skills they need to move their firms to higher value-added and into innovation-intensive activities. Innovation requires strong STEM skills, as well as soft skills and entrepreneurial skills (see Chapter 3) (OECD, 2019^[2]). This policy direction presents the performance of Southeast Asia in two areas related to promoting innovation to increase demand for high-level skills: 1) investing in R&D; and 2) promoting collaborations between higher education institutions and firms.

Figure 4.11. Global Innovation Index, Southeast Asia and selected OECD countries, 2020

Index score on a scale of 1 (low level of innovation) to 100 (high level of innovation)



Note: The Global Innovation Index is the average of two sub-indices: the Innovation Input Sub-Index and the Innovation Output Sub-Index. The Innovation Input Sub-Index consists of five input pillars (institutions, human capital and research, infrastructure, market sophistication and business sophistication) that capture elements of the national economy that enable innovative activities. The Innovation Output Sub-Index consists of two pillars (knowledge and technology output and creative output) that capture the result of innovative activities within the economy. See Appendix I of the source for further details.

Source: Cornell University, INSEAD and World Intellectual Property Organization (2020^[131]), *Global Innovation Index 2020: Who Will Finance Innovation?*, www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2020.pdf.

StatLink  <https://stat.link/js52la>

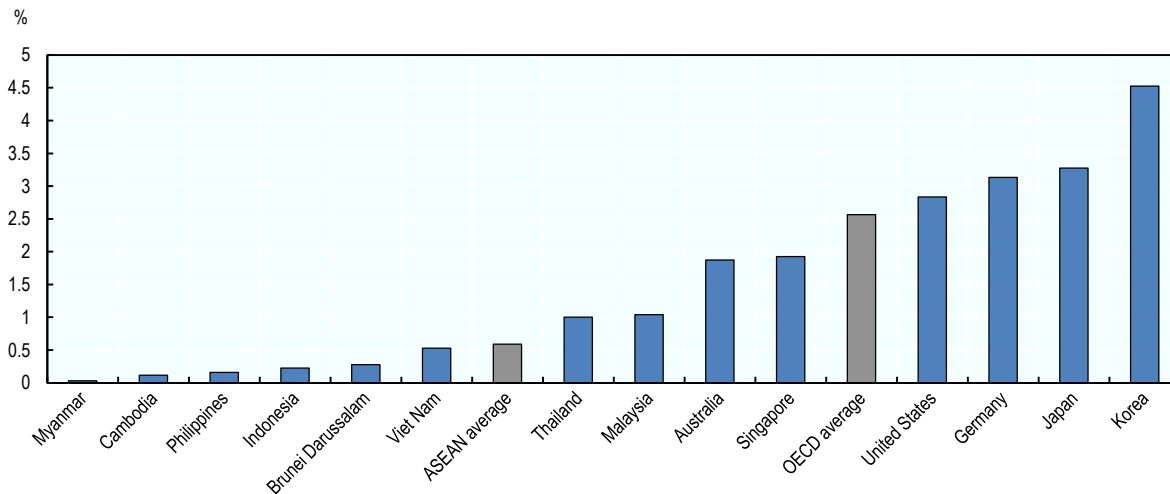
Investing in R&D

Investment in R&D helps develop knowledge and skills and enhances firms' abilities to improve and create new products and services, which in turn raises demand for higher levels of skills. It enables innovative firms to experiment with new ideas, technologies and business models, which helps them grow, increase their market share and reach scale (Cohen and Levinthal, 1990^[132]). However, expenditure on R&D as a percentage of GDP is relatively low in Southeast Asian countries. On average, Southeast Asian countries invest significantly less in R&D (0.6% of GDP) as compared to the OECD average (2.6% of GDP) (Figure 4.12). There is substantial variation in R&D spending across countries within the region. Singapore (1.9%) and Malaysia (1%) show relatively high levels of R&D spending, while countries like Myanmar (0.03%), Cambodia (0.1%), the Philippines (0.2%) and Indonesia (0.2%) invest very little.

Financial support from government can play an important role in increasing spending in R&D and innovation. Evidence suggests that government support for business R&D expenditure is instrumental in increasing R&D intensity (OECD, 2019^[2]). Government support could contribute to correcting market failures, such as difficulties appropriating the returns to investment in R&D and difficulties finding external finance, particularly for small or young firms (OECD, 2016^[133]). Many Southeast Asian countries provide grants to start-ups and SMEs to support their research and innovative activities (Table 4.6) or have established specialised agencies to fund and manage R&D projects (e.g. Thailand in Box 4.7). Some Southeast Asian countries, such as Indonesia, Singapore and Thailand, also provide tax incentives (e.g. reduced tax rates, tax holidays, tax credits and import duty exemptions on R&D equipment).

Figure 4.12. R&D spending in Southeast Asia and selected OECD countries, 2019

Percentage of GDP



Note: R&D spending is measured primarily through the gross domestic expenditure on R&D (GERD), which captures the total intramural expenditure on R&D performed in the national territory during a specific reference period based on performer reports. GERD covers spending by business enterprises, government agencies, higher education institutions, private non-profit organisations and finance sources from abroad. The latest available year was used for the following countries: Cambodia and the Philippines (2015); Australia, Myanmar, Singapore, Thailand and Viet Nam (2017).

Source: UNESCO Institute of Statistics (2021^[134]), *Research and development expenditure (% of GDP)*, <http://uis.unesco.org/>.


StatLink  <https://stat.link/8m39ak>

Table 4.6. Government financial support for R&D in Southeast Asia

Country	Programmes, policies and initiatives
Brunei Darussalam	DARe Financing Scheme The grant aims to provide co-matching funding with a recipient to “co-match” 30% of the total amount, while DARe will fund the remaining 70%. The objective of the grant is to encourage and assist innovative start-ups, as well as to facilitate meaningful growth for promising MSMEs by increasing revenue and encouraging exports.
Cambodia	Khmer Enterprise (KE) The Ministry of Economy and Finance established the Entrepreneurship Development Fund in 2019 and KE as its designated implementation unit. KE aims to mobilise, invest, and manage resources to support the development of a vibrant entrepreneurial system and to provide financial and non-financial support to entrepreneurs. The support types it offers include training sessions, incubation/acceleration/mentorship, funding opportunities with partner investors, and scaling support (through direct investment, mergers and acquisitions or initial public offering).
Philippines	Start-up Research Grant Program Initiated by the Department of Science and Technology and the Philippine Council for Industry, Energy and Emerging Technology Research and Development, the programme provides start-ups with funding access, helping them overcome R&D roadblocks and refine business models to transform their early-stage tech into market-ready products.
Singapore	Start-up SG Founder The programme aims to encourage first-time founders to start their own innovative businesses through mentorship and financial support. Through a Ministerial Statement on August 2020, it was announced that up to SGD 150 million (Singapore dollars) has been set aside for its enhancement, upon the recognition that start-ups are the bedrock of Singapore’s innovation community and that they not only spur new growth opportunities but also create more and new types of job opportunities for Singaporeans. Ministry of Education (MOE) Innovation & Enterprise (I&E) Office Decentralised Funding The Ministry of Education supports innovation and enterprise at the Institutes of Higher Learning (IHLs) through the I&E Office Decentralised Funding. The IHLs may use the funding to carry out activities from seeding entrepreneurial intent and developing I&E skills among students, to incubating enterprises and supporting companies in innovation.

Thailand	<p>Thailand 4.0</p> <p>The government has been collaborating with local tech start-ups and private companies through the Thailand 4.0 strategy to accelerate Thailand's transition into a digital economy and a regional digital hub. Under this policy, Software Park Thailand, a government agency under the Science and Technology Ministry, has allocated a budget of THB 280 million (Thai baht) to sponsor and support local start-ups as of 2017. The budget contributes to two existing projects: 1) the Start-up Voucher, where free cash-equivalent vouchers worth THB 1 million each are distributed to qualified start-ups; and 2) the Research Gap Fund, which provides financing for start-ups' business development.</p>
----------	--

Source: Brunei Darussalam DARE (2020^[135]), *DARE Financing Scheme: Co-Matching Scheme*, <https://business.mofe.gov.bn/Presentation%20Slides/DARE%20Co-Matching%20Scheme.pdf>; Khmer Enterprise (2020^[136]), *About Us*, <https://khmerenterprise.info/about-us>; Leesa-Nguansuk (2017), *B280m to support Thailand 4.0 startups*, www.bangkokpost.com/tech/1235686/b280m-to-support-thailand-4-0-startups; Philippines Department of Science and Technology (2021^[137]), *Startup Nation: Startup Research Grant Programme*, https://pcieerd.dost.gov.ph/images/downloads/presentation_materials/2017/Startup_Research_Grant/Startup_Research_Grant_Redigned.pdf; Singapore Prime Minister's Office (2021^[138]), *RIE2025 Plan*, www.nrf.gov.sg/rie2025-plan; Startup SG (2020^[139]), *Startup SG Founder*, www.startupsg.gov.sg/programmes/4894/startup-sg-founder.

Going forward, Southeast Asian countries should consider increasing government support for expenditure on R&D. All OECD countries provide substantial direct and indirect financial support for R&D. For example, direct financial support for R&D, grants and subsidies are often provided on a competitive basis as seed funding for innovative start-ups and SMEs with high potential. As indirect financial support for R&D, many OECD countries provide R&D tax incentives, such as tax credits or favourable tax deductions for R&D expenditures, to encourage higher expenditures on R&D. Providing a mix of direct grant support and tax incentives would be particularly beneficial (Neubig et al., 2016^[140]).

Promoting collaboration between higher education institutions and firms

Promoting collaboration between institutions of higher education and firms is an effective way to foster innovation (Fonseca and Salomaa, 2020^[141]). Higher education research-industry linkages help to introduce firms to new technologies and innovative practices and promote knowledge transfers and spillovers. Furthermore, they enable firms to find or tap into workers who have the skill sets required to move to higher value-added types of activities (Ankrah and Al-Tabbaa, 2015^[142]; Scandura, 2016^[143]). Some Southeast Asian countries already support collaboration between academic institutions and firms. For example, in Singapore, the Future Economy Council gathers stakeholders from various backgrounds, including government, industry, unions, and educational and training institutions, and provides a platform for them to interact and co-operate to drive innovation and growth (Ministry of Trade and Industry Singapore, 2022^[144]). In addition, Viet Nam offers innovation and start-up centres at some universities to promote collaboration, build an innovation culture, and nurture entrepreneurship within the education sector. Despite these examples, many stakeholders consulted throughout the project noted that collaboration between academic institutions and firms is limited in Southeast Asia (see Chapter 5).

To improve collaboration between academia and industry, many OECD countries provide local platforms where stakeholders from public, private and academic sectors can engage directly (OECD, 2019^[2]). Australia, Canada and Korea provide good examples of this (Box 4.7). Policy measures to encourage collaboration among firms and between firms and universities and research institutions need to pay special attention to engaging SMEs, as they are generally less prone to collaborate with institutions of higher education (OECD, 2017^[145]). Together with further trade liberalisation, particularly in the services sector (see Chapter 2), these efforts will help SMEs to enhance their productivity and competitiveness and expand their business across international borders (OECD, 2019^[146]).

Box 4.7. Country examples relevant to promoting innovation to increase demand for high-level skills

Australia's Innovation Connections

Australia's Innovation Connections involves a network of research facilitators who provide practical advice and mentorship to SMEs, assess their research needs and direct them to research expertise. It also provides funding for collaborative projects through grants. The duration of Innovation Connections projects ranges between 2-12 months. An eligible firm can: 1) place up to two of its own research employees in a publicly funded research organisation or an Australian university to work collaboratively on a project and/or access specialised equipment and research infrastructure; 2) employ a graduate or postgraduate student to undertake a research project for 6-12 months; or 3) place a researcher in the firm to work collaboratively on a project to develop and implement a new idea with commercial potential. The programme tends to encourage longer-term partnerships between SMEs and research institutions.

Canadian Technology Access Centres (TAC) Grant Programme

The Canadian TAC Grant Programme supports enhancing the innovative capacity of SMEs through collaborative access to specialised talent, expertise, equipment and technology from Canadian colleges. The programme provides financial support to a network of 30 TACs nationwide. TACs are specialised, applied R&D centres affiliated with publicly funded colleges across Canada. Each TAC strengthens an industrial sector of significance to that region, but they are networked with one another.

Korea's Patent Commercialisation Platform (PCP)

The PCP in Korea connects researchers from 24 universities and more than 8 000 SMEs. The PCP employs experts who advise start-ups and SMEs and match SMEs with university technologies to support technology transfer and innovation. The PCP also offers follow-up financing to help the commercialisation of these technologies by SMEs.

Thailand's Science and Technology Development Agency (NSTDA)

The NSTDA was established in 1991 under the National Science and Technology Development Act of 1991 and is tasked to accelerate science, technology and innovation in support of Thailand's goal of boosting competitiveness. The NSTDA works with a wide variety of actors from government, the private sector, academia and civil society to support R&D activities, technological transfer programmes, human resource development and infrastructure improvement. The agency implements Technology and Innovation Implementation Programs, which provide MSMEs with access to technical experts, government and university research projects, testing labs and incentives for R&D activities.

Source: CSIRO (2020^[147]), *Innovation Connections*, www.csiro.au/en/work-with-us/funding-programs/sme/innovation-connections; OECD (2019^[148]), *University-Industry Collaboration: New Evidence and Policy Options*, <https://dx.doi.org/10.1787/e9c1e648-en>; Thailand National Science and Technology Development Agency (2019^[149]), *At a Glance*, www.nstda.or.th/en/at-a-glance.html; Thailand Office of SMEs Promotion (2021^[150]), *Innovation and technology*, www.sme.go.th/en/page.php?modulekey=412.

Recommendations for promoting innovation to increase demand for high-level skills

- **Increase expenditure on research and development through direct grant support and tax incentives.** Southeast Asian countries should consider increasing direct grant support and subsidies to support long-term research, especially in areas with particularly high potential spillover benefits. Governments could help increase R&D in areas with high social returns but low prospects for profits, such as green technology and social innovation. They could target their support especially to innovative small and young firms that often have difficulty securing financing for R&D. Governments should also consider providing and increasing indirect financial support to encourage R&D activities. For example, they could offer and increase credits against income and payroll taxes for expenditures on investments for R&D.
- **Foster collaboration between institutions of higher education and industry.** Southeast Asian countries should facilitate co-operation and networking between higher education and firms. Governments should support the development of networks of intermediary organisations and platforms, such as R&D centres, innovation agencies, technology transfer offices and business incubators, to facilitate knowledge transfer between higher education and industry. They could be established as autonomous agencies or units within a specific university. Such organisations should interact with each other on a regular basis to promote knowledge “co-creation” involving multiple stakeholders from industry, research institutions and government.

Fostering entrepreneurship

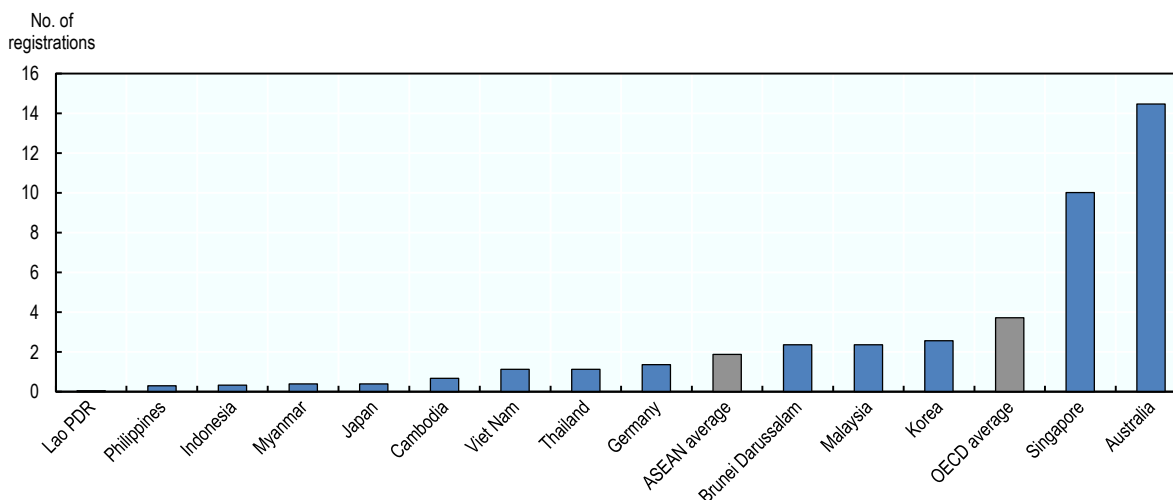
Fostering entrepreneurship by removing barriers to starting a business and enabling firms to scale up is another way to spur innovation and demand for high-level skills. Start-ups introduce new innovations and technologies and encourage better allocative efficiency by challenging the survival of incumbent firms that are not as productive or innovative (OECD, 2019^[21]). However, while entrepreneurship contributes greatly to socio-economic growth, many barriers remain in Southeast Asia, especially among disadvantaged groups such as women. This policy direction discusses the many barriers they face in accessing finance and obtaining valuable mentoring and business opportunities through networks and presents several policy solutions to these challenges.

Evidence shows that entrepreneurial activity is lower in Southeast Asia than in OECD countries. On average, Southeast Asian countries score lower (1.8) than OECD countries (3.7) in entrepreneurial activities, as measured by the number of new business registrations per 1 000 people aged 15-64 (Figure 4.13). Singapore (10), Malaysia (2.4) and Brunei Darussalam (2.4) are characterised by relatively high rates of entrepreneurial activity. The share is relatively low in Indonesia (0.3), the Philippines (0.3) and Lao PDR (0.04). In addition, evidence suggests that a significant share of people in Southeast Asia perceive that they do not have the necessary entrepreneurial skills (OECD, 2021^[26]).

Government initiatives and programmes to support start-ups can play an important role in fostering entrepreneurship. Many Southeast Asian countries already have such supporting initiatives and programmes in place. Table 4.7 summarises some of the major government initiatives and programmes to promote entrepreneurship in the region, while Box 4.8 provides the example of Thailand’s Start-Up Nation, which actively promotes the country as a start-up nation. However, initiatives and programmes that prioritise supporting disadvantaged groups, such as women and youth, are not available in most Southeast Asian countries.

Figure 4.13. Entrepreneurial activity in Southeast Asia and selected OECD countries, 2018

Number of new business registrations per 1 000 people aged 15-64 years



Note: This indicator refers to the number of new limited liability corporations (or its equivalent) registered in a given calendar year. All entries are from 2018 except Indonesia, Korea and Viet Nam (2016).

Source: World Bank (2020^[151]), *Entrepreneurship Database*, www.worldbank.org/en/programs/entrepreneurship.

StatLink  <https://stat.link/0sr1z>

Table 4.7. Government initiatives and programmes that promote entrepreneurship in Southeast Asia

Country	Programmes, policies and initiatives
Brunei Darussalam	iCentre Incubation Programme The iCentre was established to develop entrepreneurship, technology and innovation-based startups through an incubator program. The iCentre Incubation programme is a one-year incubation programme run by the Darussalam Enterprise (DARe). The programme provides co-working spaces for existing and aspiring entrepreneurs, as well as access to capacity building training, scaling and investment opportunities.
Cambodia	Cambodia Entrepreneurship Day First started in 2017 and organised annually by the International Labour Organization (ILO) and Cambodia's Ministry of Education, Youth and Sports, the Cambodian Entrepreneurship Day aims to help Cambodian youth better understand entrepreneurship and raise awareness about the concept of entrepreneurship as a path of opportunity. Across the country, workshops and conferences are organised to teach crucial entrepreneurship skills and facilitate peer learning and networking among young people. Participants come from a wide variety of backgrounds, including those in and out of school, students from TVET schools, students with disabilities and young entrepreneurs.
Indonesia	Next Indonesian Unicorns Foundation (NextlCorn) In 2019, Indonesia launched NextlCorn as part of an effort to boost the country's growing digital ecosystem and entrepreneurship. NextlCorn connects start-ups with venture capitalists and offers support related to business models and technology implementation.
Malaysia	National Entrepreneurship Policy (NEP) 2030 Titled "Malaysia: An Outstanding Entrepreneurial Nation", the Ministry of Entrepreneur Development and Cooperatives formulated NEP 2030 as a long-term strategy. It aims to create a conducive entrepreneurship ecosystem, increasing entrepreneur skills in the workforce and improving MSMEs' capabilities, among others.
Myanmar	Small and Medium Enterprise Development 2015 The policy recognises that SMEs play a pivotal role in Myanmar's sustainable development and its shift from an agro-based economy to an industrial economy. Its objectives include reducing difficulties and constraints faced by start-ups and enhancing entrepreneurship by providing training, information and networks.

Country	Programmes, policies and initiatives
Philippines	<p>Kapatid Mentor Me Project</p> <p>The Katpid Mentor Me Project was initiated by the Department of Trade and Industry and the Philippine Center for Entrepreneurship to assist MSMEs in the country through three key areas: micro-entrepreneurship mentorship, facility sharing, and inclusive business model schemes. The mentoring sessions cover entrepreneurial mind-setting, values formation, market growth expansion, operations management and business law.</p>
	<p>TESDA Training Regulations on Agroentrepreneurship</p> <p>TESDA has created training regulations for agroentrepreneurship, which serves as a basis for which the competency-based curriculum, instructional materials and competency tools are developed for the agroentrepreneurship industry.</p>
	<p>Sari-Sari Store Training and Access Resources (STAR) Programme</p> <p>Implemented by TESDA and Coca-Cola Philippines, the STAR programme has provided micro-retailing and entrepreneurial skills training to over 200,000 Filipino women since 2011. In 2019, an online version of the programme, the iSTAR programme, was launched and provided online self-paced learning sessions and business coaching lessons through a wide variety of modules: “Safe Stores Education”, “Building Business Mindset”, “Planning the Business”, “Managing Business Operations”, “Ensuring Business Sustainability and Success”, and “Access to Business Coaching, Resources and Peer Mentoring”.</p>
Singapore	<p>Startup SG Equity</p> <p>Startup SG Equity is an SGD 300 million scheme that catalyses private-sector investment for start-ups through government equity co-investment. It prioritises DeepTech sectors and encourages entrepreneurship in those markets, such as AI, robotics, biotechnology and more. It is part of the Singaporean government’s overall push to integrate DeepTech and innovative solutions into an e-commerce-heavy industry.</p>
	<p>Ministry of Education (MOE) Innovation & Enterprise (I&E) Office Decentralised Funding</p> <p>The Ministry of Education supports innovation and enterprise at the Institutes of Higher Learning (IHLs) through the I&E Office Decentralised Funding. The IHLs may use the funding to carry out activities from seeding entrepreneurial intent and developing I&E skills among students, to incubating enterprises and supporting companies in innovation.</p>
Thailand	<p>Thailand 4.0</p> <p>A government agency under the Science and Technology Ministry and Software Park Thailand collaborates to sponsor and support local tech start-ups. The budget of THB 280 million is allocated to two projects: 1) the Start-up Voucher, where free cash-equivalent vouchers worth THB 1 million each are distributed to qualified start-ups; and 2) the Research Gap Fund, which provides financing for start-ups’ business development.</p>
Viet Nam	<p>Directive No. 09/CT-TTg</p> <p>Signed in 2020, the Directive urges the Ministry of Planning and Investment to provide detailed guidance to start-ups on how to register, facilitate foreign investors in establishing, contributing capital, and purchasing shares in start-up investments in Viet Nam, and build three innovation and start-up centres at the three universities to promote a start-up ecosystem within the education sector.</p>

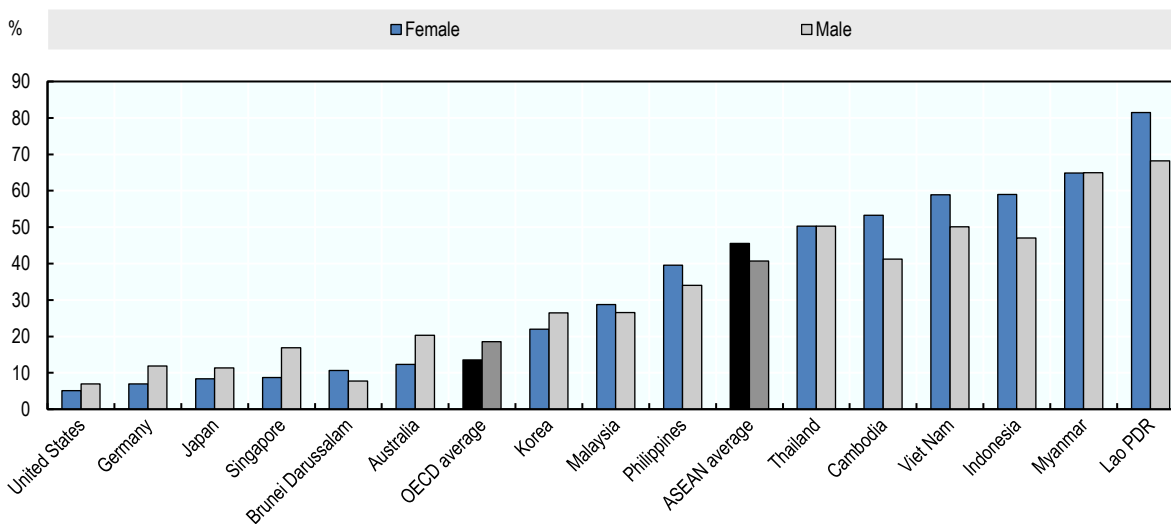
Source: Brunei Darussalam DARE (2020^[152]), *iCentre Incubation Programme*, www.dare.gov.bn/icentre; Government of Myanmar (2015^[153]), *Small and Medium Enterprise Development Policy (2015)*, www.myanmar.gov.mm/documents/20143/8126610/sme+policy.pdf/9de1161b-e3b6-c246-6779-a1de27dd27de?t=1537510456463; Leesa-Nguansuk (2017^[154]), *B280m to support Thailand 4.0 startups*, www.bangkokpost.com/tech/1235686/b280m-to-support-thailand-4-0-startups; ILO (2020^[155]), *Cambodia Entrepreneurship Day 2020 moves online – celebrated by 1,800 Cambodian future business leaders*, www.ilo.org/asia/media-centre/news/WCMS_757142/lang-en/index.htm; Malaysia Ministry of Entrepreneur Development and Cooperatives (2019^[156]), *NEP 2030: National Entrepreneurship Policy*, www.kuskop.gov.my/admin/files/med/image/portal/NEP2030-Final.pdf; Next Unicorn (2019^[157]), *Indonesian government launches NextICorn Foundation to breed more unicorns*, <https://nextunicorn.ventures/indonesian-government-launches-nexticorn-foundation-to-breed-more-unicorns/>; Philippines Department of Trade and Industry (2020^[158]), *Kapatid Mentor Me Project*, www.dti.gov.ph/negosyo/kapatid-mentor-me-project/; Singapore Prime Minister’s Office (2021^[138]), *RIE2025 Plan*, www.nrf.gov.sg/rie2025-plan; Startup SG (2020^[159]), *Startup SG Equity*, www.startupsg.gov.sg/programmes/4895/startup-sg-equity/frequently-asked-questions; TESDA (2017^[160]), *Training Regulations – Agroentrepreneurship*, www.tesda.gov.ph/Download/Training_Regulations?SearchTitle=entre&Searchcat=System.Web.Mvc.SelectList; TESDA (2022^[161]), *TESDA, Coca-Cola Philippines Open Training Facility for iSTAR Program*, www.tesda.gov.ph/Gallery/Details/12370; Viet Nam Ministry of Science and Technology (2020^[162]), *PM issues instructions on facilitating startups*, www.most.gov.vn/en/news/745/pm-issues-instructions-on-facilitating-startups.aspx.

Self-employment rates are high among women across Southeast Asia, but they are often limited to precarious sectors. Self-employment rates, which include individuals working on their own account or with one or a few partners, are often used as a proxy for entrepreneurship.² Data from the region show that, on average, across ASEAN countries, women are more likely than men to be self-employed by 4.8 percentage points, unlike in OECD countries and high-income countries in Southeast Asia, such as Singapore, where men are more likely to be self-employed (Figure 4.14). The likelihood of self-employment among women in comparison to men is especially high in Lao PDR (13.3 percentage points), Cambodia (12 percentage points) and Indonesia (11.9 percentage points). Due to the multiple barriers women face in entering the


formal labour market (Opportunity 1), they often must look for alternative sources of income, such as self-employment and entrepreneurship. In cases where women are self-employed, it is often in disadvantaged sectors, such as agriculture, or in a limited number of highly gendered activities, such as selling beauty products, catering, food processing and tailoring (OECD, 2017_[40]).

Figure 4.14. Female and male self-employment rates in Southeast Asia and selected OECD countries, 2019

Percentage of total employment



Source: World Bank (2019_[163]), *Self-employed, male and female (% of male and female employment)* (modelled ILO estimate), <https://data.worldbank.org/indicator/SL.EMP.SELF.MA.ZS>.

StatLink  <https://stat.link/6er0s8>

Evidence suggests women face particularly high barriers in pursuing entrepreneurial activities (OECD, 2021_[50]). While women in the region are technically able to register businesses the same way as men, they still face additional constraints in obtaining full legal capacity when signing legally binding contracts, as shown in Table 4.8. This severely limits women's ability to fully participate in work and conduct their own businesses in many countries in Southeast Asia. Stakeholders consulted also noted that common barriers facing women entrepreneurs in Southeast Asian countries include limited access to financing as well as knowledge and information on starting and/or running businesses.

In Southeast Asia, female entrepreneurs are less likely to take out bank loans than their male counterparts for various reasons. Women in Southeast Asia often have lower levels of financial literacy, and evidence suggests that many lack the confidence and skills needed to negotiate a loan (associated with financial literacy needs). Furthermore, they often lack credit histories and assets (i.e. land ownership) that they can use as collateral when borrowing from traditional financial institutions (OECD, 2021_[50]). In addition, gender stereotypes and biases remain prevalent among financial institutions, which often behave insensitively to the needs of women and are often reluctant to lend to women-owned SMEs (OECD, 2021_[50]). As access to credit and collateral is fundamental for business growth and innovation, this partly explains why there are fewer female-owned enterprises and why they tend to be smaller and less productive (OECD, 2017_[40]).

Table 4.8. Differences between men and women in starting businesses and signing contracts in ASEAN countries, 2021

Indicator	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam
A woman can register a business in the same way as a man	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
A woman can sign a contract in the same way as a man		✓		✓			✓			✓

Source: World Bank (2021_[164]), *Gender Data Portal*, <https://genderdata.worldbank.org/>.

Southeast Asian countries should provide financial services that meet the needs of women entrepreneurs and are easy to access. The most common approaches are to offer grants, loan guarantees and microfinance targeting women entrepreneurs. Attracting more women investors and advisors into venture capital and business angel networks could be one way to increase investment in women-owned enterprises (OECD, 2021_[50]). To be successful, it is important to adapt the application process to the literacy levels of women to ensure they can easily complete and submit their applications (OECD, 2017_[40]). Some Southeast Asian countries provide targeted financial services to women. For example, in Indonesia, the Mondelez International's Cocoa Life Programme aims to close the gender gap in economic activities and provides rural farmers with access to finance through village savings and loan associations. In addition, Women in Micro and Small Business Groups, which operate at the village and district level, provide microfinancing and training opportunities to women entrepreneurs (OECD, 2021_[50]). Across OECD countries, such as the United Kingdom, and in the European Union (EU), financial services are also provided to help women entrepreneurs (Box 4.8).

On the other hand, many female entrepreneurs also face higher barriers to accessing networking and mentoring guidance. The lack of access to business networks and a general lack of networking activity in the region, which provides connections to mentorship opportunities and facilitates women's participation in them, inhibit them from obtaining useful guidance on how to start, manage and grow a business (ADB, 2018_[165]). Evidence suggests that access to networking and mentoring is particularly important during the start-up phase of a new business. The transfer of expertise, new practices and emotional support from peer entrepreneurs play a critical role in their success (OECD, 2017_[40]). In addition, people who receive mentoring through networks are likely to be more business savvy, acquire business skills and have better success in accessing financing (OECD, 2021_[50]).

Southeast Asian countries should actively promote women's organisations (e.g. unions organising female workers) and business associations that support women. Such organisations and associations provide a variety of benefits to women, such as support to improve their conditions in the workplace, but also access to new entrepreneurial relationships and mentoring opportunities (ILO, 2022_[166]). Awareness that the challenges they face are not unique but are shared by other women also helps to build confidence. Some Southeast Asian countries have women's associations to help their entrepreneurial activities. For example, the Thai Woman SMEs Association (TWoSA) devotes special attention to enhancing the promotion of new entrepreneurial activities led by women. TWoSA absolves this role by providing opportunities for training courses, supplemented by regular networking sessions among women entrepreneurs to share experiences and knowledge. Viet Nam Women's Union is another good example that supports women-led business start-ups (Box 4.8). Further support for women's unions and associations would benefit inclusive entrepreneurship in Southeast Asia countries.

Box 4.8. Country examples relevant to fostering entrepreneurship

European Union's Women Business Angels for Europe's Entrepreneurs

In EU countries, the European Parliament funds the Women Business Angels for Women Entrepreneurs initiative. The initiative aims to connect women business angels, a significant untapped source of equity finance that can be invested in women-run businesses, with women entrepreneurs who lack funding. The initiative supports women entrepreneurs in accessing alternative funding sources by helping them present their business ideas to potential investors.

Thailand's Start-Up Nation initiative

The Government of Thailand is actively promoting Thailand as a start-up nation. The National Innovation Agency of Thailand hosts the Start-up Thailand event, the largest tech conference in Southeast Asia, in collaboration with related government alliances, the private sector and the education sector. In addition, the Digital Economy Promotion Agency opened a government start-up centre in Bangkok to help start-ups grow. This start-up centre will partially operate as a pioneer unit of the Internet of Things Institute, located in Thailand's special economic zone, called the Eastern Economic Corridor.

United Kingdom's Aspire Fund

In the United Kingdom, public policies encourage the formation of women-targeted venture capital investments. For example, the programme Aspire Fund was specifically set up in 2008 to support women-led businesses in the United Kingdom. It is a GBP 12.5 million (British pound sterling) fund that makes equity investments to help women-led businesses overcome financial barriers and grow, offering matching funds at both the early stage of the start-up venture and the expansion stage. Eligible businesses must have 30% of the ownership, board, and executive committees composed of women, and the roles of senior women executives are regularly monitored by the programme.

Viet Nam's National Women-led Business Start-Up Program

In Viet Nam, under the aegis of the National Women-led Business Start-Up Program, the Viet Nam Women's Union (VWU) promotes the organisation of – and encourages rural women farmers to take part in – a regular event called “Women's Start-up Day” (WSD). This is an opportunity for women entrepreneurs to pitch their business ideas, build networks and exchange information. Importantly, VWU provides continuous and diverse trainings and support to help them launch their businesses, especially those believed to have a high potential, during the WSD. Many women beneficiaries are particularly appreciative that the support comes from fellow women entrepreneurs, who face the same challenges and can therefore understand their concerns.

Source: Business Angels Europe (2013^[167]), *Women Business Angels for Europe's Entrepreneurs*, www.businessangelseurope.com/wa4e; Cornell University, INSEAD and World Intellectual Property Organization (2020^[131]), *Global Innovation Index 2020: Who Will Finance Innovation?*, www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2020.pdf; OECD (2021^[50]), *Strengthening Women's Entrepreneurship in Agriculture in ASEAN Countries*; www.oecd.org/southeast-asia/regional-programme/Strengthening_Womens_Entrepreneurship_ASEAN.pdf; European Institute for Gender Equality (2014^[168]), *Aspire Fund – Providing equity for women's businesses*, https://eige.europa.eu/sites/default/files/documents/aspire_fund_uk.pdf.

Recommendations for fostering entrepreneurship

- **Improve access to finance for female entrepreneurs by providing targeted financial services combined with financial training.** Governments and financial institutions should improve access to loan programmes targeted at women. For example, they could provide guaranteed loans or microfinancing to women entrepreneurs with high growth potential. Such financial programmes could be offered and combined with other services, such as counselling and financial training. To be effective, the application process for such financial services should be adapted to women's literacy levels to ensure they are easy to understand and apply for.
- **Facilitate the transfer of entrepreneurial knowledge and skills to women by supporting unions for female workers and business associations for women.** Governments should establish and support networks of women's enterprise centres. These networks could provide business development support to women entrepreneurs and build a women-friendly business environment. In addition, governments could strengthen the role of women entrepreneurs in business and industry associations by encouraging chambers of commerce and SME associations to establish businesswomen committees or women entrepreneur working groups.

References

- ActionAid (2017), *Beyond Caring: Enabling women's leadership in disaster risk reduction by breaking down the barrier of unpaid care work*, ActionAid, https://actionaid.org/sites/default/files/2017_womens_leadership_in_drr_and_barrier_of_unpaid_care.pdf. [52]
- ADB (2020), *Asia Small and Medium-Sized Enterprise Monitor 2020: Volume I - Country and Regional Reviews*, Asian Development Bank, Mandaluyong City, <https://www.adb.org/sites/default/files/publication/646146/asia-sme-monitor-2020-volume-1.pdf>. [110]
- ADB (2018), *Breaking Barriers: Women Entrepreneurs in Asia and the Pacific*, <https://www.adb.org/annual-meeting/2018/events/women-business-startups-entrepreneurs-asia-pacific>. [165]
- ADB (2018), *Reducing Youth Not in Employment, Education, or Training through JobStart Philippines*, Asian Development Bank, Mandaluyong City, <https://www.adb.org/sites/default/files/publication/396081/adb-brief-084-youth-not-employment.pdf>. [74]
- ADB (2015), *Promoting Women's Economic Empowerment in Cambodia*, Asian Development Bank, Mandaluyong City, <https://www.adb.org/sites/default/files/publication/156499/promoting-womens-economic-empowerment.pdf>. [71]
- Agbisit, J. and ASEAN Editorial Team (2021), *Youth Volunteers: Gain Life Skills while Serving Communities*, <https://asean.org/youth-volunteers-gain-life-skills-while-serving-communities/>. [37]
- Albanesi, C., E. Cicognani and B. Zani (2007), "Sense of community, civic engagement and social well-being in Italian adolescents", *Journal of Community & Applied Social Psychology*, Vol. 17/5, pp. 387-406, <https://doi.org/10.1002/casp.903>. [33]

- Almeida, R. and P. Carneiro (2012), “Enforcement of Labor Regulation and Informality”, *American Economic Journal: Applied Economics*, Vol. 4/3, pp. 64-89, <https://doi.org/10.1257/app.4.3.64>. [99]
- American Psychological Association (2022), *Civic Engagement*, <https://www.apa.org/education-career/undergrad/civic-engagement>. [30]
- Ankrah, S. and O. Al-Tabbaa (2015), “Universities–industry collaboration: A systematic review”, *Scandinavian Journal of Management*, Vol. 31/3, pp. 387-408, <https://doi.org/10.1016/j.scaman.2015.02.003>. [142]
- Anti-Red Tape Authority and Philippine Department of Information and Communication Technology (2021), *Central Business Portal*, <https://business.gov.ph/home>. [96]
- ASEAN (2022), *ASEAN Mentorship for Entrepreneurs Network*, <https://jaif.asean.org/project-brief/asean-mentorship-for-entrepreneurs-network-amen/> (accessed on 24 October 2022). [120]
- ASEAN (2022), *ASEAN Secretariat News*, <https://asean.org/category/news/>. [13]
- ASEAN (2020), *ASEAN Declaration on Human Resources Development for the Changing World of Work and its Roadmap*, <https://asean.org/wp-content/uploads/2021/08/ASEAN-Declaration-on-Human-Resources-Development-for-the-Changing-World-of-Work-and-Its-Roadmap.pdf>. [45]
- ASEAN (2020), *Joint Statement of the ASEAN Ministerial Meeting on Social Welfare and Development: Mitigating Impacts of COVID-19 on Vulnerable Groups in ASEAN*, https://asean.org/wp-content/uploads/2021/03/22.-AMMSWD-Joint-Statement-on-COVID19_ADOPTED.pdf. [48]
- ASEAN (2019), *ASEAN Enabling Masterplan 2025: Mainstreaming the Rights of Persons with Disabilities*, <https://asean.org/wp-content/uploads/2019/03/Publication-ASEAN-Enabling-Masterplan-2025-1.pdf>. [46]
- ASEAN (2019), *ASEAN Labour Ministers’ Statement on the Future of Work: Embracing Technology for Inclusive and Sustainable Growth*, <https://asean.org/asean2020/wp-content/uploads/2021/01/ASEAN-Labour-Ministers-Statement-on-the-Future-of-Work-Embracing-Techno....pdf>. [47]
- ASEAN (2017), *ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers*, <https://asean.org/wp-content/uploads/2017/11/ASEAN-Consensus-on-the-Protection-and-Promotion-of-the-Rights-of-Migrant-Workers1.pdf>. [44]
- ASEAN (2017), *Compendium on Migrant Worker’s Education and Safe Migration Programmes*, ASEAN Secretariat, Jakarta, <https://asean.org/wp-content/uploads/2012/05/ASEAN-Compendium-on-Workers-Education-and-Safe-Migration-Programmes.pdf> (accessed on 3 January 2022). [75]
- ASEAN (2016), *Vientiane Declaration on Transition from Informal Employment towards Decent Work Promotion in ASEAN and its Regional Action Plan*, <https://asean.org/wp-content/uploads/2016/09/Vientiane-Declaration-on-Employment.pdf>. [49]
- Asmawi, A. and K. Chew (2016), “High Performance Work Practices (HPWP) in Malaysian R&D Organizations”, *Journal of Advanced Management Science*, Vol. 4/6, pp. 467-470, <https://doi.org/10.18178/joams.4.6.467-470>. [109]

- Australian Volunteers Program (2020), *About Us - The Australian Volunteers Program*, [126]
<https://www.australianvolunteers.com/about/about-us/> (accessed on 20 January 2023).
- Bai, B. and Paryono (2019), *Vocational Education and Training in ASEAN Member States: Current Status and Future Development*, [103]
<https://doi.org/10.1007/978-981-13-6617-8>.
- Belt, V., L. Giles and CIPD (2009), *High Performance Working: A Synthesis of Key Literature*, [106]
<http://dera.ioe.ac.uk/id/eprint/9239>.
- Bjuggren, C., D. Johansson and M. Stenkula (2010), *Using Self-employment as Proxy for Entrepreneurship: Some Empirical Caveats*, [171]
<https://www.diva-portal.org/smash/get/diva2:1175512/FULLTEXT01.pdf>.
- Brunei Darussalam DARE (2020), *DARE Financing Scheme: Co-Matching Scheme*, [135]
<https://business.mofe.gov.bn/Presentation%20Slides/DARE%20Co-Matching%20Scheme.pdf>.
- Brunei Darussalam DARE (2020), *iCentre Incubation Programme*, [152]
<https://www.dare.gov.bn/icentre>.
- Brunei Darussalam Department of Labour (2021), *Organisation Structure*, [4]
<http://www.labour.gov.bn/SitePages/Organisation%20Structure.aspx>.
- Brunei Darussalam Ministry of Finance and Economy (2021), *One Common Portal*, [89]
<https://www.ocp.mofe.gov.bn/>.
- Bundervoet, T., M. Davalos and N. Garcia (2021), “The Short-Term Impacts of COVID-19 on Households in Developing Countries: An Overview Based on a Harmonized Data Set of High-Frequency Surveys”, *Policy Research Working Papers*, No. 9582, World Bank, Washington DC, [41]
<https://openknowledge.worldbank.org/handle/10986/35290>.
- Business Angels Europe (2013), *Women Business Angels for Europe’s Entrepreneurs*, [167]
<https://www.businessangelseurope.com/wa4e>.
- Cambodia Ministry of Economy and Finance (2020), *Single Portal*, [90]
<https://www.registrationservices.gov.kh/>.
- Chacaltana, J., V. Leung and M. Lee (2018), “New technologies and the transition to formality: The trend towards e-formality”, *Employment Working Paper*, No. 247, ILO, Geneva, [84]
https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_policy/documents/publication/wcms_635996.pdf.
- Ciccione, A., M. Roncarati and T. Chaykamhang (2019), “The challenges of youth and informal employment in selected Asia-Pacific countries”, UNESCAP, [82]
https://repository.unescap.org/bitstream/handle/20.500.12870/1152/SDWP%202019-02_Youth%20Informality.pdf?sequence=1&isAllowed=y.
- Cohen, W. and D. Levinthal (1990), “Absorptive Capacity: A New Perspective on Learning and Innovation”, *Administrative Science Quarterly*, Vol. 35/1, p. 128, [132]
<https://doi.org/10.2307/2393553>.
- Cornell University, INSEAD and World Intellectual Property Organization (2020), *Global Innovation Index 2020: Who Will Finance Innovation?*, [131]
https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2020.pdf.

- CSIRO (2020), *Innovation Connections*, <https://www.csiro.au/en/work-with-us/funding-programs/sme/innovation-connections>. [147]
- Dasgupta, M. (2016), *Moving from informal to formal sector and what it means for policymakers*, <https://blogs.worldbank.org/jobs/moving-informal-formal-sector-and-what-it-means-policymakers>. [78]
- Enterprise Singapore (2022), *Growing Enterprises*, <https://www.enterprisesg.gov.sg/> (accessed on 24 October 2022). [111]
- EURead (2019), *About us*, <https://www.euread.com/about-us/>. [123]
- European Institute for Gender Equality (2014), *Aspire Fund – Providing equity for women’s businesses*, European Institute for Gender Equality, <https://eige.europa.eu/gender-mainstreaming/good-practices/non-eu-countries/aspire-fund-providing-equity-womens-businesses>. [168]
- Eurostat (2022), *Participation of young people in education and the labour market*, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Participation_of_young_people_in_education_and_the_labour_market. [17]
- Faggio, G. and O. Silva (2012), *Does Self-Employment Measure Entrepreneurship? Evidence from Great Britain*, https://www.researchgate.net/publication/254397925_Does_Self-Employment_Measure_Entrepreneurship_Evidence_from_Great_Britain. [170]
- Fonseca, L. and M. Salomaa (2020), “Entrepreneurial Universities and Regional Innovation: Matching Smart Specialisation Strategies to Regional Needs?”, in *Examining the Role of Entrepreneurial Universities in Regional Development*, IGI Global, <https://doi.org/10.4018/978-1-7998-0174-0.ch014>. [141]
- Gavelin, K., L. Svedberg and V. Pestoff (2022), *Estimating the Scope and Magnitude of Volunteerism Worldwide: A review of multinational data on volunteering*, United Nations Volunteers, <https://www.unv.org/sites/default/files/Background%20paper%20on%20estimating%20scale%20and%20scope%20of%20volunteering%202011.pdf>. [38]
- Gentile, E. (ed.) (2019), *Skilled Labor Mobility and Migration*, Edward Elgar Publishing, Cheltenham, UK, <https://doi.org/10.4337/9781788116176>. [16]
- Ghiglieri, M. et al. (2020), “Identity, civic engagement, and altruism: A phenomenological exploration of activity engagement in older adults”, *Scandinavian Journal of Occupational Therapy*, Vol. 28/3, pp. 225-238, <https://doi.org/10.1080/11038128.2020.1735512>. [31]
- Gonzales, E., C. Matz-Costa and N. Morrow-Howell (2015), “Increasing Opportunities for the Productive Engagement of Older Adults: A Response to Population Aging”, *The Gerontologist*, Vol. 55/2, pp. 252-261, <https://doi.org/10.1093/geront/gnu176>. [124]
- Government of British Columbia (n.d.), *Community Volunteer Program*, <https://www2.gov.bc.ca/gov/content/governments/policies-for-government/bcea-policy-and-procedure-manual/general-supplements-and-programs/community-volunteer-program> (accessed on 20 January 2023). [130]

- Government of Myanmar (2015), *Small and Medium Enterprise Development Policy (2015)*, [153]
<https://www.myanmar.gov.mm/documents/20143/8126610/sme+policy.pdf/9de1161b-e3b6-c246-6779-a1de27dd27de?t=1537510456463>.
- Government of Singapore (2020), *Bizfile+*, [91]
<https://www.bizfile.gov.sg/ngbbizfileinternet/faces/oracle/webcenter/portalapp/pages/BizfileHomepage.jspx>.
- Hemmerechts, K., O. Agirdag and D. Kavadias (2017), “The relationship between parental literacy involvement, socio-economic status and reading literacy”, *Educational Review*, Vol. 69/1, pp. 85-101, <https://doi.org/10.1080/00131911.2016.1164667>. [34]
- Huang, L. (2019), “Well-being and volunteering: Evidence from aging societies in Asia”, *Social Science & Medicine*, Vol. 229, pp. 172-180, <https://doi.org/10.1016/j.socscimed.2018.09.004>. [35]
- ILO (2022), *Women entrepreneurs connect across ASEAN*, https://www.ilo.org/asia/media-centre/news/WCMS_837906/lang--en/index.htm. [166]
- ILO (2021), *Supporting Migrant Workers during the Pandemic for a Cohesive and Responsive ASEAN Community*, International Labour Organization, https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/publication/wcms_816971.pdf. [70]
- ILO (2020), *Cambodia Entrepreneurship Day 2020 moves online – celebrated by 1,800 Cambodian future business leaders*, https://www.ilo.org/asia/media-centre/news/WCMS_757142/lang--en/index.htm. [155]
- ILO (2020), *Global Employment Trends for Youth 2020: Technology and the future of jobs*, International Labour Organization, Geneva, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_737648.pdf. [62]
- ILO (2019), *ASEAN course on the transition from informal to formal economy: ASEAN countries*, https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/meetingdocument/wcms_676140.pdf. [14]
- ILO (2019), *Extension of Social Security to Workers in Informal Employment in the ASEAN Region*, ILO, Thailand, https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_735512.pdf. [83]
- ILO (2019), “Youth transitions and lifetime trajectory”, *Employment Working Paper*, No. 253, ILO, Geneva, https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_734499.pdf. [61]
- ILO (2017), *Utilización de tecnologías de la información y de la comunicación en las inspecciones del trabajo. Una visión comparada en torno a países seleccionados*, Oficina de la OIT para el Cono Sur de América Latina, https://www.ilo.org/santiago/publicaciones/informes-tecnicos/WCMS_614905/lang--es/index.htm. [102]
- ILO (2016), *Managing Labour Mobility: Opportunities and Challenges for Employers in the ASEAN Region*, https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/publication/wcms_464049.pdf. [69]

- ILO (2012), *Social Protection Assessment-based National Dialogue: Towards a Nationally Defined Social Protection Floor in Indonesia*, https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/publication/wcms_195572.pdf (accessed on 3 January 2022). [104]
- ILOSTAT (2022), *Labour force participation rate by sex, age and citizenship*, https://www.ilo.org/shinyapps/bulkexplorer50/?lang=en&segment=indicator&id=EAP_2WAP_SEX_AGE_RT_A. [19]
- ILOSTAT (2022), *Statistics on working time*, <https://ilostat.ilo.org/topics/working-time/>. [58]
- ILOSTAT (2021), *COVID-19 and labour statistics*, <https://ilostat.ilo.org/topics/covid-19/>. [63]
- ILOSTAT (2021), *Informal employment rate by status in employment (by sex) (%)*, <https://ilostat.ilo.org/data/>. [80]
- ILOSTAT (2021), *Labour force participation rate by sex and age – ILO modelled estimates, Nov. 2021 (%) - Annual*, https://www.ilo.org/shinyapps/bulkexplorer0/?lang=en&segment=indicator&id=EAP_2WAP_SEX_AGE_RT_A. [18]
- IMF (2021), *Five Things to Know about the Informal Economy*, <https://www.imf.org/en/News/Articles/2021/07/28/na-072821-five-things-to-know-about-the-informal-economy>. [81]
- Indonesia Investment Promotion Center (2017), *One Stop Service Center (PTSP Pusat)*, <https://www3.investindonesia.go.id/en/how-we-can-help/one-stop-service>. [92]
- Indonesia Ministry of Manpower (2018), *About the Ministry of Manpower*, <https://www.kemnaker.go.id/information/about>. [6]
- Indonesia Volunteer Society (2020), *Masyarakat Relawan Indonesia*, <https://relawan.id/>. [127]
- Invest Northern Ireland (2022), *Homepage*, <https://nibusinessinfo.co.uk/>. [113]
- Ivaniushina, V. and O. Zapletina (2015), "Participation in Extracurricular Activities and Development of Personal and Interpersonal Skills in Adolescents", *Journal of Siberian Federal University. Humanities & Social Sciences*, Vol. 8/11, pp. 2408-2420, <https://doi.org/10.17516/1997-1370-2015-8-11-2408-2420>. [121]
- Kampelmann, S. and F. Rycx (2012), "The Impact of Educational Mismatch on Firm Productivity: Evidence from Linked Panel Data", *IZA Discussion Paper Series*, No. 7093, <https://docs.iza.org/dp7093.pdf>. [25]
- Kaplan, D. (2009), *What does formal mean anyway?*, <https://blogs.worldbank.org/psd/what-does-formal-mean-anyway>. [79]
- Keeter, S. et al. (2002), *The Civic and Political Health of the Nation: A Generational Portrait*, Center for Information & Research on Civic Learning & Engagement, College Park, <https://eric.ed.gov/?id=ED498892>. [32]
- Khmer Enterprise (2020), *About Us*, <https://khmerenterprise.info/about-us>. [136]

- KPMG (2023), *Employer social security tax rates*, [59]
<https://home.kpmg/sg/en/home/services/tax/tax-tools-and-resources/tax-rates-online/social-security-employer-tax-rates-table.html> (accessed on 26 January 2023).
- Kracke, N., M. Reichelt and B. Vicari (2018), “Wage Losses Due to Overqualification: The Role of Formal Degrees and Occupational Skills”, *Social Indicators Research*, Vol. 139/3, pp. 1085-1108, <https://doi.org/10.1007/s11205-017-1744-8>. [23]
- Lao PDR Department of Enterprise Registration and Management (2020), *Inventory of Business Licenses*, <http://bned.moic.gov.la/en>. [93]
- Lao PDR Ministry of Agriculture and Forestry (2018), *How We Work - Our Approach*, <https://www.prflaos.org/feature-article/how-we-work-our-approach>. [72]
- Le Moueli, M. and M. Squicciarini (2015), “Cross-Country Estimates of Employment and Investment in Organisational Capital: A Task-Based Methodology Using PIAAC Data”, *OECD Science, Technology and Industry Working Papers*, Vol. 2015/08, <https://doi.org/10.1787/5jrs3smfjgcb-en>. [115]
- Leesa-Nguansuk, S. (2017), *B280m to support Thailand 4.0 startups*, Bangkok Post, <https://www.bangkokpost.com/tech/1235686/b280m-to-support-thailand-4-0-startups>. [154]
- MAEX (2013), *Homepage*, <https://maex.nl>. [128]
- Maiti, D. and C. Bhattacharyya (2020), “Informality, enforcement and growth”, *Economic Modelling*, Vol. 84, pp. 259-274, <https://doi.org/10.1016/j.econmod.2019.04.015>. [101]
- Malaysia Ministry of Entrepreneur Development and Cooperatives (2019), *MalaysiaBiz*, <https://malaysiabiz.gov.my/ms>. [94]
- Malaysia Ministry of Entrepreneur Development and Cooperatives (2019), *NEP 2030: National Entrepreneurship Policy*, <https://www.kuskop.gov.my/admin/files/med/image/portal/NEP2030-Final.pdf>. [156]
- Malaysia Ministry of Human Resources (2017), *Departments and Agencies*, https://www.mohr.gov.my/index.php/en/?option=com_content&view=article&id=33 (accessed on 16 February 2022). [7]
- Malaysian Ministry of Human Resources (2022), *Graduates Empowerment Programme*, <https://myfuturejobs.gov.my/youth-employment/>. [66]
- McKinsey Global Institute (2018), *The Power of Parity: Advancing Women’s Equality in Asia Pacific (Executive Summary)*, McKinsey & Company. [15]
- Ministry of Trade and Industry Singapore (2022), *The Future Economy Council*, <https://www.mti.gov.sg/FutureEconomy/TheFutureEconomyCouncil> (accessed on 24 October 2022). [144]
- Mwasikakata, M. (2019), “Overview: Key features of the role and organization of Public Employment Services in Great Britain, Flanders-Belgium and Germany”, in Finn, D. and M. Peromingo (eds.), *Key developments, role and organization of Public Employment Services in Great Britain, Belgium-Flanders and Germany*, International Labour Organization, https://labordoc.ilo.org/discovery/delivery/41ILO_INST:41ILO_V1/1264459840002676. [65]

- Myanmar Directorate of Investment and Company Administration (2017), *Myanmar Companies Online (MyCO)*, <https://www.myco.dica.gov.mm/>. [95]
- Myanmar Ministry of Labour (2022), *About the Ministry*, <https://mol.nugmyanmar.org/about-ministry/>. [8]
- National Tax Service of Korea (2015), *HomeTax*, <https://www.hometax.go.kr/websquare/websquare.html?w2xPath=/ui/pp/index.xml>. [88]
- Neubig, T. et al. (2016), "Fiscal incentives for R&D and innovation in a diverse world", in *OECD Taxation Working Papers*, OECD Publishing, Paris, <https://doi.org/10.1787/5jlr9stckfs0-en>. [140]
- Next Unicorn (2019), *Indonesian Government launches NextICorn Foundation to breed more unicorns*, <https://nextunicorn.ventures/indonesian-government-launches-nexticorn-foundation-to-breed-more-unicorns/>. [157]
- Nguyen, H., T. Nguyen-Huu and T. Le (2016), *Non-standard Forms of Employment in Some Asian Countries: A Study of Wages and Working Conditions of Temporary Workers*, International Labour Organization, Geneva, https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_450080.pdf. [57]
- OECD (2021), *Active labour market policy measures to mitigate the rise in (long-term) unemployment: A summary of country responses to the OECD-EC questionnaire*, OECD Publishing, Paris, <https://www.oecd.org/els/emp/almppmeasurescovid19.pdf>. [43]
- OECD (2021), *Labour force participation rate*, <https://data.oecd.org/emp/labour-force-participation-rate.htm>. [20]
- OECD (2021), *OECD Skills Strategy Southeast Asia Policy Questionnaire*. [42]
- OECD (2021), *Promoting the Productivity of SMEs in ASEAN Countries: Strengthening Capabilities, Enabling Business Dynamics*, OECD Publishing, Paris, <https://www.oecd.org/industry/ind/promoting-productivity-of-SMEs-in-ASEAN-countries.pdf>. [56]
- OECD (2021), *Strengthening Women's Entrepreneurship in Agriculture in ASEAN Countries*, OECD Publishing, Paris, https://www.oecd.org/southeast-asia/regional-programme/Strengthening_Womens_Entrepreneurship_ASEAN.pdf. [50]
- OECD (2021), *Towards a Skills Strategy for Southeast Asia: Skills for Post-COVID Recovery and Growth*, OECD Skills Studies, OECD Publishing, Paris, <https://doi.org/10.1787/6db0907f-en>. [26]
- OECD (2020), *Enhancing Training Opportunities in SMEs in Korea, Getting Skills Right*, OECD Publishing, Paris, <https://doi.org/10.1787/7aa1c1db-en>. [118]
- OECD (2020), *OECD Employment Outlook 2020: Worker Security and the COVID-19 Crisis*, OECD Publishing, Paris, <https://doi.org/10.1787/1686c758-en>. [64]
- OECD (2019), *Gender, Institutions and Development Database (GID-DB) 2019*, <https://stats.oecd.org/Index.aspx?DataSetCode=GIDDB2019>. [51]
- OECD (2019), *OECD Economic Surveys: Malaysia 2019*, OECD Publishing, Paris, <https://doi.org/10.1787/eaaa4190-en>. [146]

- OECD (2019), *OECD Skills Strategy 2019: Skills to Shape a Better Future*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264313835-en>. [2]
- OECD (2019), *Skills Matter: Additional Results from the Survey of Adult Skills*, OECD Skills Studies, OECD Publishing, Paris, <https://doi.org/10.1787/1f029d8f-en>. [28]
- OECD (2019), *Society at a Glance: Asia/Pacific 2019*, OECD Publishing, Paris, https://doi.org/10.1787/soc_aag-2019-en. [39]
- OECD (2019), *University-Industry Collaboration: New Evidence and Policy Options*, OECD Publishing, Paris, <https://doi.org/10.1787/e9c1e648-en>. [148]
- OECD (2018), *Leveraging Business Development Services for SME Productivity Growth: International Experience and Implications for United Kingdom Policy*, OECD Publishing, Paris. [112]
- OECD (2018), *Survey of Adults Skills database (PIAAC) (2012, 2015)*, OECD Publishing, Paris, <http://www.oecd.org/skills/piaac/>. [29]
- OECD (2017), *Getting Skills Right: Skills for Jobs Indicators*, Getting Skills Right, OECD Publishing, Paris, <https://doi.org/10.1787/9789264277878-en>. [21]
- OECD (2017), *OECD Science, Technology and Industry Scoreboard 2017: The Digital Transformation*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264268821-en>. [145]
- OECD (2017), *Strengthening Women's Entrepreneurship in ASEAN: Towards increasing women's participation in economic activity*, OECD Publishing, Paris, https://www.oecd.org/southeast-asia/regional-programme/Strengthening_Womens_Entrepreneurship_ASEAN.pdf. [40]
- OECD (2017), *The Pursuit of Gender Equality: An Uphill Battle*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264281318-en>. [53]
- OECD (2016), "Government financing of business R&D and innovation", in *OECD Science, Technology and Innovation Outlook 2016*, OECD Publishing, Paris, https://doi.org/10.1787/sti_in_outlook-2016-23-en. [133]
- OECD (2016), *Skills Matter: Further Results from the Survey of Adult Skills*, OECD Skills Studies, OECD Publishing, Paris, <https://doi.org/10.1787/9789264258051-en>. [27]
- OECD (2015), *How's Life? 2015: Measuring Well-being*, OECD Publishing, Paris, https://doi.org/10.1787/how_life-2015-en. [36]
- OECD (2015), *Skills for Social Progress: The Power of Social and Emotional Skills*, OECD Skills Studies, OECD Publishing, Paris, <https://doi.org/10.1787/9789264226159-en>. [105]
- OECD (2012), *Let's Read Them a Story! The Parent Factor in Education*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264176232-en>. [1]
- OECD (2011), *Skills for Innovation and Research*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264097490-en>. [117]
- OECD (2010), *The OECD Innovation Strategy: Getting a Head Start on Tomorrow*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264083479-en>. [116]

- OECD (2005), *OECD Employment Outlook 2005*, OECD Publishing, Paris, [60]
https://doi.org/10.1787/empl_outlook-2005-en.
- OECD/ADB (2020), *Employment and Skills Strategies in Indonesia*, OECD Reviews on Local Job Creation, OECD Publishing, Paris, [3]
<https://doi.org/10.1787/dc9f0c7c-en>.
- OECD/ILO (2019), *Tackling Vulnerability in the Informal Economy*, Development Centre Studies, OECD Publishing, Paris, [77]
<https://doi.org/10.1787/939b7bcd-en>.
- OECD/ILO (2017), *Better Use of Skills in the Workplace: Why It Matters for Productivity and Local Jobs*, OECD Publishing, Paris, [114]
<https://doi.org/10.1787/9789264281394-en>.
- Oesterle, S., M. Johnson and J. Mortimer (2004), “Volunteerism during the Transition to Adulthood: A Life Course Perspective”, *Social Forces*, Vol. 82/3, pp. 1123-1149, [122]
<https://doi.org/10.1353/sof.2004.0049>.
- Parents at Work (2015), *Equilibrium Man Challenge*, <https://parentsandcarersatwork.com/the-equilibrium-man-challenge-exploring-worklife-balance-for-men/> (accessed on 9 September 2022). [54]
- Philippines Department of Labour and Employment (2022), *DOLE Offices: Bureaus*, [9]
<https://www.dole.gov.ph/#>.
- Philippines Department of Science and Technology (2021), *Startup Nation: Startup Research Grant Program*, [137]
https://pcieerd.dost.gov.ph/images/downloads/presentation_materials/2017/Startup_Research_Grant/Startup_Research_Grant_Redesigned.pdf.
- Philippines Department of Trade and Industry (2020), *Kapatid Mentor Me Project*, [158]
<https://www.dti.gov.ph/negosyo/kapatid-mentor-me-project/>.
- Posthuma, R. et al. (2013), “A High Performance Work Practices Taxonomy: Integrating the Literature and Directing Future Research”, *Journal of Management*, Vol. 39/5, [107]
<https://doi.org/10.1177/0149206313478184>.
- Rak, E. and L. Spencer (2016), “Community participation of persons with disabilities: volunteering, donations and involvement in groups and organisations”, *Disability and Rehabilitation*, Vol. 38/17, pp. 1705-1715, [125]
<https://doi.org/10.3109/09638288.2015.1107643>.
- Rendall, M. (2021), *Cambodia – Pilot Launch Of Labour Inspection Self-Declaration*, [100]
<https://conventuslaw.com/report/cambodia-pilot-launch-of-labour-inspection-self/>.
- Royal Government of Cambodia (2005), *Sub-decree on the organization and functioning of the Ministry of Labour and Vocational Training*, [5]
<https://www.ilo.org/dyn/natlex/docs/MONOGRAPH/92808/108288/F-1312769134/KHM92808%20Eng.pdf>.
- Scandura, A. (2016), “University–industry collaboration and firms’ R&D effort”, *Research Policy*, Vol. 45/9, [143]
<https://doi.org/10.1016/j.respol.2016.06.009>.
- Shah, C. and G. Burke (2005), “Skills shortages: Concepts, measurement and policy responses”, [22]
Australian Bulletin of Labour, Vol. 31/1,
<https://dspace.flinders.edu.au/xmlui/handle/2328/27700> (accessed on 2 April 2019).

- Silva, C. (2022), *What is bounce rate and what is a good rate?*, [86]
<https://www.semrush.com/blog/bounce-rate/>.
- Singapore Ministry of Manpower (2022), *Divisions and statutory boards*, [10]
<https://www.mom.gov.sg/about-us/divisions-and-statutory-boards>.
- Singapore Prime Minister's Office (2021), *RIE2025 Plan*, <https://www.nrf.gov.sg/rie2025-plan> [138]
 (accessed on 25 January 2023).
- Startup SG (2020), *Startup SG Equity*, <https://www.startupsg.gov.sg/programmes/4895/startup-sg-equity/frequently-asked-questions>. [159]
- Startup SG (2020), "Startup SG Founder", [139]
<https://www.startupsg.gov.sg/programmes/4894/startup-sg-founder>.
- Sung, J. and D. Ashton (2005), "High performance work practices: Linking strategy and skills to performance outcomes", *Chartered Institute of Personnel and Development (CIPD)*, [108]
http://www.longwoods.com/articles/images/High%20Performance%20Work%20Practices_UK_Report2011.pdf.
- Szaban, J. and M. Skrzek Lubasińska (2018), "Self-Employment and Entrepreneurship: A Theoretical Approach", *Journal of Management and Business Administration*, Vol. 26, pp. 89-120, <https://doi.org/10.7206/jmba.ce.2450-7814.230>. [169]
- TalentCorp (2018), *How Can TalentCorp Help you?*, [55]
https://www.talentcorp.com.my/clients/TalentCorp_2016_7A6571AE-D9D0-4175-B35D-99EC514F2D24/contentms/img/WLP_brochure_ENG.pdf (accessed on 9 September 2022).
- TESDA (2022), *TESDA, Coca-Cola Philippines Open Training Facility for iSTAR Program*, [161]
<https://www.tesda.gov.ph/Gallery/Details/12370> (accessed on 30 January 2023).
- TESDA (2017), *Training Regulations - Agroentrepreneurship*, [160]
https://www.tesda.gov.ph/Download/Training_Regulations?SearchTitle=entre&Searchcat=System.Web.Mvc.SelectList (accessed on 30 January 2023).
- Thailand Board of Investment (2009), *One Start One Stop Investment Center*, [97]
<https://osos.boi.go.th/One-Stop/home/>.
- Thailand Ministry of Labour (2022), *MOL Duties*, <https://www.mol.go.th/en/departments/mol-duties>. [11]
- Thailand National Science and Technology Development Agency (2019), *At a Glance*, [149]
<https://www.nstda.or.th/en/at-a-glance.html>.
- Thailand Office of SMEs Promotion (2021), *Innovation and technology*, [150]
<https://www.sme.go.th/en/page.php?modulekey=412>.
- UNDP and ILO (2018), *Youth Volunteerism and Skills Development for Economic Empowerment in the Asia-Pacific Region*, https://www.asia-pacific.undp.org/content/rbap/en/home/library/democratic_governance/youth-volunteerism-n-skills-development-for-economic-empowerment.html. [129]
- UNESCO Institute for Statistics (2021), *Research and development expenditure (% of GDP)*, [134]
<http://uis.unesco.org/>.

- Verhaest, D. and E. Omeij (2012), “Overeducation, Undereducation and Earnings: Further Evidence on the Importance of Ability and Measurement Error Bias”, *Journal of Labor Research*, Vol. 33/1, pp. 76-90, <https://doi.org/10.1007/s12122-011-9125-6>. [24]
- Viet Nam Ministry of Labour, I. (2017), *Decree Stipulating Functions, Duties, Authorities and Organization Structure of the Ministry of Labour - Invalids and Social Affairs*, <http://english.molisa.gov.vn/Pages/About/DutiesResponsibilities.aspx>. [12]
- Viet Nam Ministry of Planning and Investment (2018), *National Business Registration Portal*, <https://dangkykinhdoanh.gov.vn/en/Pages/default.aspx>. [98]
- Viet Nam Ministry of Science and Technology (2020), *PM issues instructions on facilitating startups*, <https://www.most.gov.vn/en/news/745/pm-issues-instructions-on-facilitating-startups.aspx>. [162]
- Wijnhoven, M. and H. Havinga (2014), “The Work Profiler: A digital instrument for selection and diagnosis of the unemployed”, *Local Economy: The Journal of the Local Economy Policy Unit*, Vol. 29/6-7, pp. 740-749, <https://doi.org/10.1177/0269094214545045>. [73]
- World Bank (2021), *Gender Data Portal*, <https://genderdata.worldbank.org/>. [164]
- World Bank (2020), *Entrepreneurship Database*, <https://www.worldbank.org/en/programs/entrepreneurship>. [151]
- World Bank (2020), *Women Pave the Way for Paid Jobs and Poverty Reduction in Laos*, <https://www.worldbank.org/en/news/feature/2020/11/25/women-pave-the-way-for-paid-jobs-and-poverty-reduction-in-laos>. [76]
- World Bank (2019), *Doing Business Project*, <https://www.worldbank.org/en/programs/business-enabling-environment>. [85]
- World Bank (2019), *Self-employed, male and female (% of male and female employment) (modeled ILO estimate)*, <https://data.worldbank.org/indicator/SL.EMP.SELF.MA.ZS> (accessed on 22 November 2022). [163]
- World Bank (2017), *Migrating to Opportunity: Overcoming Barriers to Labor Mobility in Southeast Asia*, <https://www.worldbank.org/en/region/eap/publication/migrating-to-opportunity-overcoming-barriers-to-labor-mobility-in-southeast-asia>. [68]
- World Economic Forum (2019), *The Global Competitiveness Report 2019*, https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf (accessed on 2 July 2022). [119]
- Youth Employment Services (2022), *YES Overview*, <https://www.yes.on.ca/about-yes/> (accessed on 24 October 2022). [67]
- Zantal-Weiner, A. (2022), *What Is Bounce Rate? (And How Can I Fix Mine?)*, <https://blog.hubspot.com/marketing/what-is-bounce-rate-fix>. [87]

Notes

1. Within Southeast Asia, data are only available for Singapore and Jakarta.
2. Self-employment and entrepreneurship are two different concepts but are often closely linked, as both involve flexible, independent individuals who run their own businesses, often at their own risk (Szaban and Skrzek Lubasińska, 2018^[169]). In empirical research, self-employment is often used as a proxy for entrepreneurship, especially in cases where data on the latter are limited. There is evidence of the correlation between self-employment and entrepreneurship (i.e. density of business start-ups and innovative firms) (Faggio and Silva, 2012^[170]), although interchanging the two has its empirical disadvantages (e.g. the lack of alignment between definitions and data collection methods) (Bjuggren, Johansson and Stenkula, 2010^[171]).



From:
OECD Skills Strategy Southeast Asia
Skills for a Post-COVID Recovery and Growth

Access the complete publication at:

<https://doi.org/10.1787/923bfd03-en>

Please cite this chapter as:

OECD (2023), "Using skills effectively in work and society in Southeast Asia", in *OECD Skills Strategy Southeast Asia: Skills for a Post-COVID Recovery and Growth*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/b8e76ffa-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.