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## **CARI POLICY BRIEF**

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# **GREENING ASEAN - PAPER 4: REVIEW AND RECOMMENDATIONS FOR FUTURE OF WORK, EQUALITY AND SOCIAL JUSTICE**

**JAN 2021**

# CARI Policy Brief: Greening ASEAN - Paper 4: Review and Recommendations for Future of Work, Equality and Social Justice

By CARI | 3 February 2021

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With special thanks to Matthias Gelber, Director of Sustainability of Global Sustainability Exchange; Erin Sinogba, Independent Sustainability Consultant; Chris Humphreys, Executive Director of EU-ASEAN Business Council, for providing input.

## Synopsis

The CARI Policy Brief: Greening ASEAN - Paper 4: Review and Recommendations for Future of Work, Equality and Social Justice reviews ASEAN countries' stimulus packages, related policy instruments, statement of commitments, FDI policies, announced inked projects, funding obtained and changes to the legal landscape for areas of opportunities that will lead to a sustainable and green future of work for the region. These are presented in a list of recommendations which can be implemented as part of ongoing and/or future stimulus packages.

The main points of this article are presented in the following three parts:

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[1. Context](#)

[2. Opportunities to Act](#)

[3. Conclusion](#)

## 1. Context

This recommendation briefing note analyses the impact of COVID-19 on the ASEAN member states (AMS) and identifies key opportunity areas relating to the future of work for climate aligned initiatives at a regional and country level.

The socio-economic impacts of the COVID-19 pandemic are disproportionate and impact certain segments of the population more than others - the lower income group, workers in high-risk sectors and informal employment, migrant workers, older persons, women and children, among others. The adverse impact of the pandemic on livelihoods, education, food security and nutrition, and exacerbated poverty, vulnerabilities and inequalities may, in the long run, reverse the region's progress in poverty reduction, and cast a long shadow in achieving inclusive and sustainable development in the region.

ASEAN's 670 million population is diverse, of which 50.1% are women. The region has a relatively young age demographic, with more than a third of the population falling under the youth category. However, it also has a growing senior population at 7.1% in 2019. The region is also home to an estimated 218 million informal workers, and has approximately 133 million workers in the hardest hit sectors.

## Key observation 1a:

### Similar trends observed in ASEAN job landscape during the pandemic

Similar to the rest of the world, ASEAN's job and work landscape saw the following trends:

- increase in governments' efforts to create or sustain jobs through various schemes in stimulus packages
- initiatives lacking emphasis on creating green jobs
- unprecedented unemployment
- shift to telework and digitalisation
- worsened inequality among the informal sector, women, youth, migrant workers
- the future of work likely to be defined by the speed in the adoption of automation and artificial intelligence (AI)

#### **a) Most short term stimulus packages in the region are focused on easing burden, saving lives and ensuring business continuity, with little focus given to the environment and climate-aligned agenda green jobs.**

- Short term government relief packages **focus mainly on alleviating the immediate effects of the pandemic**, and include wage subsidy schemes, cash handouts and larger financial support for businesses including Small Medium Enterprises (SMEs), state-owned enterprises and micro-businesses to replace the lost income and to counteract the effects of economic shocks as a result of the pandemic.<sup>12</sup>
- **There are ongoing efforts to create and keep jobs impacted by COVID-19, but in the short term, minimal green job related measures are found.**

<sup>1</sup> Refer to ICPH Submission Ensuring Resilient, Climate Aligned COVID-19 Recovery in ASEAN: Paper #1: Stimulus Spending for details on stimulus packages.

<sup>2</sup> ISEAS, [Are ASEAN Stimulus Dollars Going towards Sustainability?](#), 19 August 2020.

Table 1: Key recent country level initiatives and figures are as follows:

<p><b>Brunei Darussalam</b></p> <ul style="list-style-type: none"> <li>• There is no official report on the employment impact of COVID-19 in Brunei Darussalam, but the Asian Development Bank (ADB), estimated that the country’s best case scenario is a 0.44% reduction in total employment, and its worst case scenario is a 3.8% decline.<sup>3</sup></li> </ul>
<p><b>Cambodia</b></p> <ul style="list-style-type: none"> <li>• There are no official reports available on the number of affected workers in Cambodia.</li> <li>• Media reports in late February quoted the Ministry of Labour and Vocational Training with the estimate that 200 factories, mainly garment production, with more than 150,000 workers, would close in March 2020.<sup>4</sup> As of late February, only 10 factories partially suspended operations, resulting in 3,000 lost jobs.</li> <li>• In late March 2020, after the imposition of a partial lockdown in Bangkok, <b>50,000 Cambodian workers in Thailand lost their jobs and returned to Cambodia</b><sup>5</sup>. Many more are assumed to have lost their jobs but were unable to return home due to border closures. Many of these do not have access to social safety nets and even to medical care (including COVID-19 testing) if they are unregistered migrants, working in the informal sector, or, even if they work in the formal sector and were not properly registered in the social security system.</li> <li>• In September 2020, the Asian Development Bank estimated that <b>Cambodia would lose 390,000 jobs</b> as a result of the crisis.<sup>6</sup></li> </ul>
<p><b>Indonesia</b></p> <ul style="list-style-type: none"> <li>• In Indonesia, the region’s most populous country, an economic contraction of <b>3.5% will increase the number of poor by some 19.7 million</b>.<sup>7</sup></li> <li>• The Indonesia Chamber of Commerce estimates <b>retrenchments could reach 15 million across sectors</b>.<sup>8</sup></li> <li>• Indonesian workers abroad have also been affected. As early as 29 March, 11,566 Indonesian workers had been repatriated from Malaysia.<sup>9</sup></li> <li>• The Central Bureau of Statistics reported that the <b>unemployment rate increased to 7.07 % in August 2020</b>.<sup>10</sup></li> <li>• The Ministry of National Development Planning projects that the <b>2020 unemployment rate will reach 9.2%</b>, up from 5.2% in 2019.<sup>11</sup></li> </ul>

<sup>3</sup> ASEAN, [ASEAN Rapid Assessment](#), December 2020.

<sup>4</sup> ILO, [Research brief](#), October 2020

<sup>5</sup> ILO, [August 7 Cambodia Country Note\(AO\)](#), August 2020.

<sup>6</sup> ADB, [ADB Loan for Cambodia's COVID-19 Response](#), September 2020

<sup>7</sup> Suryahadi, Asep, Ridho Al Izzati and Daniel Suryadarma. (2020). “The Impact of COVID-19 Outbreak on Poverty: An Estimation for Indonesia”, Bulletin of Indonesian Economic Studies, 56(2):175-192.

<sup>8</sup> ASEAN, [ASEAN Rapid Assessment](#), December 2020.

<sup>9</sup> ILO, [2 Covid-19 Malaysia 8May2020 FV cleared rev11June](#), June 2020

<sup>10</sup> CEIC Data, [Indonesia Unemployment Rate](#), August 2020.

<sup>11</sup> The Star News, [Indonesia warns unemployment to spike due to pandemic](#), June 2020.

### Laos

- During the partial lockdown in Bangkok, approximately **60,000 Lao workers in Thailand returned to Laos** after losing their jobs. Many others may have likely lost their jobs but have been unable to return home because of border closures.<sup>12</sup>

### Malaysia

- In Malaysia, the number of **employed persons declined by 359,000 workers** with the unemployment rate rising from 3.5% in the first quarter of 2020 to 5.1% in the second quarter of 2020.<sup>13</sup>
- Unemployment dropped to 4.7% in July<sup>14</sup>, following the reopening of economic sectors in stages since May. The **unemployment figure for August 2020 dropped by 3,500 to 741,600**.<sup>15</sup> It remained at that level in September 2020.

### Myanmar

- According to the Ministry of Labor, an estimated **60,000 factory workers have been laid off** since the beginning of the shutdown in the third quarter of 2020.<sup>16</sup>
- Out of the country's approximately 600 garment factories, over **220 factories in Yangon Region have filed for complete closure** resulting in approximately 40,000-50,000 workers unemployed.<sup>17</sup>
- During the partial lockdown in Bangkok, approximately **150,000 Myanmar workers in Thailand returned to Myanmar after losing their jobs**.<sup>18</sup>
- Nationwide unemployment numbers remain unavailable.<sup>19</sup>

### The Philippines

- According to the Department of Labour and Employment (DOLE), as of the second week of July 2020, **more than half a million Overseas Filipino Workers have lost their jobs** and applied for cash assistance<sup>20</sup> The Philippine Statistics Authority that the unemployment rate had fallen to 10% in the same month.<sup>21</sup>
- In August 2020, a national poll released found that **45.5% of adults surveyed were unemployed** and that **21% had lost their livelihoods** due to the pandemic.<sup>22</sup>
- According to ADB, the Philippines **unemployment rate will likely remain at around 9%-10%**, roughly double the pre-pandemic level until mid-2021.<sup>23</sup>

<sup>12</sup> Reuters, [Thai lockdown sparks exodus of 60,000 migrant workers: ministry official](#), March 2020.

<sup>13</sup> Labour Market Review, Q2/2020, Department of Statistics, Malaysia.

<sup>14</sup> Channel News Asia, [COVID-19: Malaysia's labour market shows signs of recovery; unemployment rate falls to 4.7% in July](#), September 2020.

<sup>15</sup> The Sun Daily, [Pandemic spawns new job opportunities](#), 4 November 2020.

<sup>16</sup> UN, [COVID-19 Impact on Employment and Labour Market in Myanmar](#), July 2020.

<sup>17</sup> Eleven Media, [Over 220 factories in Yangon file for complete closure, temporary closure or redundancy](#), 24 September 2020.

<sup>18</sup> International Labour Organization (2020a). ILO Brief: [Impact of Lockdown Measures on the Informal Economy](#).

<sup>19</sup> CSIS, [Southeast Asia Covid-19 Tracker](#).

<sup>20</sup> ASEAN, [ASEAN Rapid Assessment](#), December 2020.

<sup>21</sup> Inquirer, [PSA: 4.6 million Filipinos unemployed in July 2020](#), 3 September 2020.

<sup>22</sup> Philstar, [National survey logs record-high unemployment in July](#), 17 August 2020.

<sup>23</sup> Business World, [Jobless rate seen to remain high until mid-2021](#), 27 November 2020

### Singapore

- Singapore's overall unemployment rate rose to 2.9% in June, a 20% increase from March.<sup>24</sup> Layoffs more than doubled in the second quarter of 2020. The Ministry of Manpower on 7 September announced that two in five workers retrenched in the first quarter of 2020 were able to find jobs by June.<sup>25</sup>
- A total of **6,700 workers were retrenched in Q2 2020** with the unemployment rate rising to 4% in June 2020.<sup>26</sup>

### Thailand

- Thailand **unemployment rate increased to 2.10% in October 2020**, from the previously reported number of 1.80% in September 2020.<sup>27</sup>
- An International Labour Organization (ILO) report from the end of April 2020 predicted that **6 million workers would lose their jobs** in Thailand's virus-hit tourism industry
- In May, the president of the Thai Chamber of Commerce predicted that up to **one-quarter of Thais** would be unemployed due to the global shutdown.<sup>28</sup>
- In June, Kasikorn Research Center noted that unemployment in Greater Bangkok rose to 9.6%, much higher than normal.<sup>29</sup>

### Vietnam

- As of September 2020, there were 31.8 million people aged 15 and above negatively affected by COVID-19, including those who lost their jobs, went on furlough or took time off work alternately, reduced working hours, suffered income reduction to name a few.
- **Rural workers and female workers** are those most significantly affected by the impact of COVID-19 with 3.2% and 2.3% decreases in the labour force of these two groups of in 2020.
- Employed **population aged 15 and above** in the average first nine months of 2020 reached 53.1 million people, a decrease of 1.3 million people over the same period last year.<sup>30</sup>
- The Vientiane Times reported at the end of May 2020 that **unemployment had surged from 2% to 25%** due to the virus.<sup>31</sup>

<sup>24</sup> Straits Times, [Singapore sees worst-ever quarterly fall in employment in Q2 as retrenchments double: MOM data](#), 1 September 2020.

<sup>25</sup> Straits Times, [2 in 5 workers retrenched in Q1 found jobs by June despite economic slowdown: MOM](#), 7 September 2020.

<sup>26</sup> Seasonally adjusted data from the Labour Market Advance Release, Q2/2020, Ministry of Manpower, Singapore.

<sup>27</sup> CEIC Data, [Thailand Unemployment Rate](#), October 2020.

<sup>28</sup> CGTN, [As coronavirus lockdown eases, Thais face unemployment crisis](#), 6 May 2020.

<sup>29</sup> Kasikorn Research Centre, [Unemployment rate in Bangkok rose to 9.6 percent in May 2020; government advised to create additional jobs \(Business Brief No.3868\)](#), 4 June 2020.

<sup>30</sup> General Statistics Office of Vietnam, [Report on the impact of covid-19 on labour and employment of the third quarter of 2020](#), 6 October 2020.

<sup>31</sup> Vientiane Times, [Govt officials urged to expedite aid to the unemployed](#), May 2020.

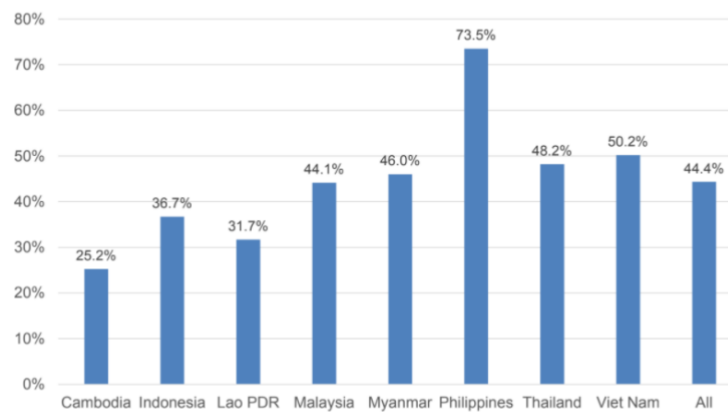
## b) Unemployment rates have spiked to almost unprecedented levels to varying degrees

- The ADB estimated that 11.6 to 18.4 million jobs to the value of US\$25 to 29 billion has been lost in ASEAN due to the pandemic to date.<sup>32</sup>
- Recent forecasts show that Malaysia, Indonesia and the Philippines will see the highest unemployment rates.
- About 40% of Micro, Small and Medium Enterprises (MSMEs), especially in manufacturing, reduced their workforce in Indonesia, Laos, the Philippines, and Thailand.<sup>33</sup>
- An average of 44.4% of ASEAN households has suffered job loss or working hours reduced (data excluded Singapore and Brunei).<sup>34</sup>

### Job loss/working hours reduced

% of households

- % of households with at least one person who lost job or had working hours reduced



<sup>32</sup> ADB, [Updated Assessment of the Potential Economic Impact of COVID-19](#). ADB Brief No. 133, May 2020.

<sup>33</sup> [Rapid Survey results](#) presented by Yasuyuki Sawada, Chief Economist and Director General of ERCD, ADB presented at 23rd ADBI Conference on 1-3 December 2020.

<sup>34</sup> Peter J. Morgan, Vice Chair of Research, ADBI presented [Session 4.1.1: Impacts of COVID-19 on Households in ASEAN Countries and their Implications for Human Capital Development](#) at the ADBI Conference on 1-3 December 2020.

<sup>35</sup> Peter J. Morgan, Vice Chair of Research, ADBI presented [Session 4.1.1: Impacts of COVID-19 on Households in ASEAN Countries and their Implications for Human Capital Development](#) at the ADBI Conference on 1-3 December 2020.

### c) Customer facing services sector is the most affected, with workers from travel and tourism constituting the majority of the unemployment in the region.

- Due to requirements for social distancing, the customer facing services sector is the most affected by the pandemic.<sup>3637</sup>
- Travel restrictions have been widely imposed, including within the region, grounding the tourism industry. Among the ASEAN member states (AMS), Cambodia, the Philippines, and Thailand are the most vulnerable as they have the largest shares of gross domestic product (GDP), employment and export revenues from tourism.
- In Thailand, the tourism industry which makes up 15% of the country's GDP, has been hard hit with the near cessation of international tourist arrivals in March 2020.<sup>38</sup>
- The tourism industries in Vietnam, Singapore and Malaysia are also expected to find it challenging to achieve the full potential in the course of COVID-19 recovery<sup>39</sup> due to the industry's reliance on foreign visitors.
- In Cambodia, the sectors most affected in terms of projected employment losses are construction, manufacturing, hotels and restaurants, transport, storage and communications.<sup>40</sup>



<sup>36</sup> ASEAN, [ASEAN Rapid Assessment](#), November 2020.

<sup>37</sup> Tetsushi Sonobe of Asia Development Bank Institute (ADBI) [Session 2.2.1: The Impacts of the COVID-19 Pandemic on Micro, Small, and Medium Enterprises in Asia and their Digitalization Responses](#) presented at 23rd ADBI Conference on 1-3 December 2020.

<sup>38</sup> World Bank, [Major Impact from COVID-19 to Thailand's Economy, Vulnerable Households, Firms: Report](#), June 2020.

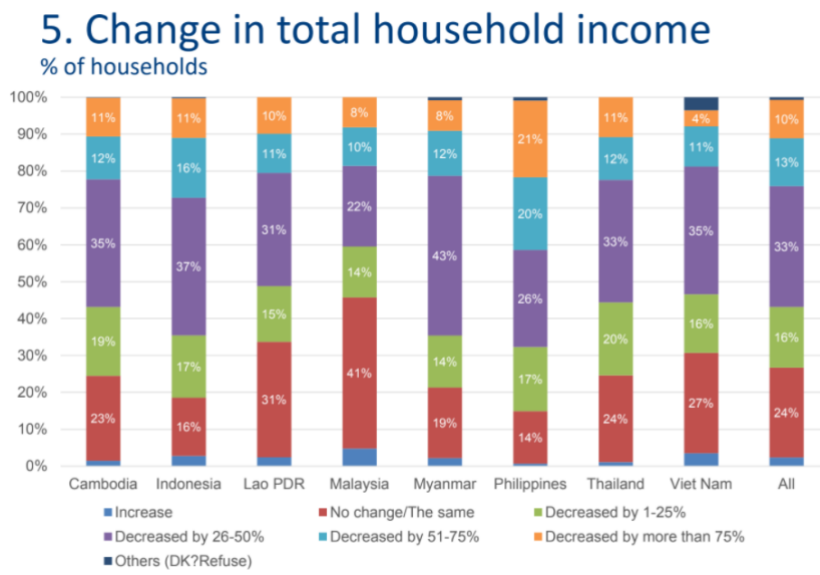
<sup>39</sup> UOB, [The COVID-19 Recession, Restart And Recovery](#), 18 September 2020.

<sup>40</sup> ILO, [COVID-19 Active Response and Expenditure Support Program: Employment and Poverty Impact Assessment - Cambodia](#), 2020.

**d) COVID-19 could worsen income inequality for fiscally weak countries in South-East Asia. Spending on social protection will attenuate income disparity, especially for vulnerable groups.**

It is important to note that the official unemployment rates do not fully reflect the real unemployment on the ground in the ASEAN region. **More than half of workers in most ASEAN states work in the informal sector**, and where they are paid daily wages, have unsecured contracts, are employed in family-run businesses or are self-employed.

- Based on data presented during the 2020 ADBI Annual Conference by Peter J. Morgan, Vice Chair of Research of ADBI, almost 70% of ASEAN households have had their income negatively impacted.<sup>41</sup>



- According to ILO projections in September 2020<sup>42</sup>, **50% of the total workforce in Cambodia are considered to be in ‘vulnerable employment’, followed by 48% of jobs in Thailand, 54% in Vietnam, 58% in Myanmar and a whopping 80% in Laos in 2020.** The majority of those in vulnerable employment are youths aged between 15-24 years old.
- Social protection is low in Indonesia, Malaysia and the Philippines, despite the AMS using fiscal policy in the form of cash transfers to support vulnerable groups. On the whole, social protection coverage (which generally includes social insurance, transfers and labour

<sup>41</sup> ADBI, [Session 4.1.1: Impacts of COVID-19 on Households in ASEAN Countries and their Implications for Human Capital Development](#) presented at 23rd ADBI Conference on 1-3 December 2020.

<sup>42</sup> ILO, [Vulnerable employment, total \(% of total employment\) \(modeled ILO estimate\)](#), 20 September 2020.

market programmes) also typically excludes the informal sector, which comprises a large part of many ASEAN economies.<sup>43</sup> Social spending is the lowest in the Philippines and Indonesia, with Cambodia, Laos and Myanmar suffering from weak social protection redistribution systems.<sup>44</sup>

### e) Women and youths disproportionately hit.

Most AMS saw a larger decline in working hours and employment for women than men. Also, women were more likely to move into inactivity than men. Young people have also been especially affected by working-hour and job losses. The youth share in overall employment loss was 3 to 18 times higher than their share in total employment.<sup>45</sup>

- An Institute of Strategy and International Studies of Malaysia (ISIS) report estimated that the **number of employed women in Malaysia fell by about 5 times more than the fall in employed men**, recording a 2.5% decline in the second quarter of 2020 (vs 2019), compared to just a 0.5% decline for men.
- Recent data indicates that **more and more women have exited the labour force entirely, setting back gains in the labour workforce by women by two years.**<sup>46 47</sup>
- **Younger workers aged 15-24 years experienced an average fall in employment of 3-8 times higher**<sup>48</sup> than the overall decline in employment, **while younger women in particular experienced an average decline in employment which was 5.6 times higher.**<sup>49</sup>

<sup>43</sup> Moody's Investor Service, Inside ASEAN, December 2020.

<sup>44</sup> Ibid.

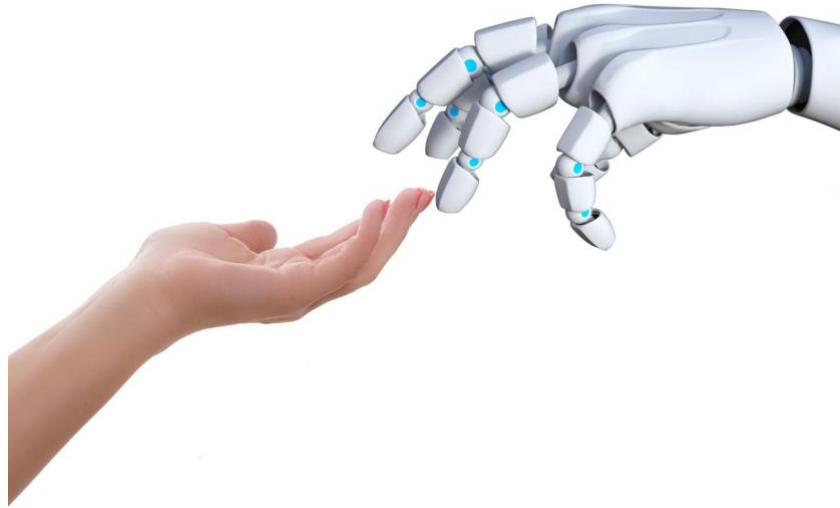
<sup>45</sup> ILO, [▶ Asia-Pacific Employment and Social Outlook](#), 2020

<sup>46</sup> ISIS, [Pushed to the margins: The unequal impacts of the COVID-19 crisis on marginalised Malaysian workers - ISIS](#), 30 November 2020.

<sup>47</sup> ILO, [81 million jobs lost as COVID-19 creates turmoil in Asia-Pacific labour markets](#), 15 December 2020.

<sup>48</sup> Ibid.

<sup>49</sup> Ibid.



**f) The need to adapt work-life to pandemic has led to new work trends in the region while putting more jobs at risk due to the push for automation.**

As in many parts of the world, employers and workers in ASEAN have had to balance the need to adjust their daily activities to account for COVID-19 standard operating procedures (SOPs) and the economic activities needed to sustain livelihoods. Emerging and the acceleration of the use of technologies has also further driven working arrangements in the region.

- **Digitalisation:** The rapid digitalisation of ASEAN's essential industries such as education, healthcare and supply chain amid the global pandemic has opened new possibilities for digital disruptors. It highlights how the national digitalisation agendas of many ASEAN countries have helped ease the transition for the region's organisations to remote operations and working duxfumiring COVID-19, contributing to ASEAN's emergence as one of the fastest growing mobile-first economies in the world, with the development of multiple digital native platforms spanning essential sectors.
  - During the peak of the pandemic in the region, many of the ASEAN workforces moved to **teleworking, flexible work arrangements, and short work schemes** (where workers were allowed to keep their employment but keep shorter hours or were temporarily laid off while their contract remained active), driving the rise of the gig economy.
  - A June 2020 report by Deloitte projected that **up to 47.8 million in the ASEAN-6 countries (Indonesia, Malaysia, Singapore, Philippines,**

**Thailand, and Vietnam) could shift to remote work over a multi-year time horizon.** Singapore and Malaysia led the group, with 45% and 26% of their respective workforces projected to be remote.<sup>50</sup>

- In Malaysia, the electrical and electronic **E&E landscape remain robust in 2020, supported by the immense opportunities offered by the industry**, especially with the rise in remote working, virtual learning and e-commerce.<sup>51</sup>
- Traditional low skilled labour, such as ones in manufacturing and front facing roles in the service sectors, are usually on the losing end as they cannot work remotely.<sup>52</sup>
  - In ASEAN, the aforementioned June 2020 report by Deloitte noted that while around 67% of the professional services and technology and telecommunications workforce will transition to remote working arrangements in the next two years, other sectors such as hospitality and wholesale and retail trade show only modest potential for remote transitions.<sup>53</sup>
- The availability of good internet connection as a precondition for teleworking also often makes it difficult for those in rural areas or big families living in a small space to effectively work from home.
  - In ASEAN, an estimated 70% of the region’s population is now online, with some 40 million new users joining the Internet in 2020 alone (for comparison, there were 100 million new users between 2015 and 2019).<sup>54</sup>
  - Despite having a good internet penetration rate in urban areas, investment is needed to build broadband infrastructure to connect suburban areas in most AMS.<sup>55</sup> With the exception of Singapore, most suburban areas for AMS have poor connectivity. In Malaysia, despite mobile coverage hitting 140% and internet penetration at 94.5%, the rural and outskirts areas have poor broadband coverage. 3G and 4G coverage are also sparse in thinly-

<sup>50</sup> Deloitte, ‘Remote work | A temporary ‘bug’ becomes a permanent ‘feature’’, June 2020

<sup>51</sup> Ms. Bee Bee Ng, President of SEMI Southeast Asia quoted in The Sun Daily, [Malaysian E&E industry to remain robust](#), 17 June 2020.

<sup>52</sup> ASEAN, [ASEAN Rapid Assessment](#), November 2020.

<sup>53</sup> Deloitte, ‘Remote work | A temporary ‘bug’ becomes a permanent ‘feature’’, June 2020

<sup>54</sup> Google and Temasek, ‘e-Conomy SEA 2020’, November 2020

<sup>55</sup> Refer to AMS data and reports at [Open Signal](#).

populated rural areas.<sup>56</sup> In its recent December 2020 report, Open Signal also found a significant digital divide in 4G access between east and west Malaysia.<sup>57</sup>

- **Automation:** COVID-19 is expected to accelerate the automation of the workforce through the use of AI and robotics. The ongoing health crisis creates strong incentives to automate with workplaces actively reinventing their operations to minimise health risks to workers and customers. Manual, routine and repetitive jobs were previously identified as areas most affected by automation, but with the advent of the pandemic, consumer-facing roles in sectors such as hospitality, fitness, and retail are at risk too.<sup>58 59</sup>
  - As an example, according to Bee Bee Ng, President of SEMI Southeast Asia, the increasing demand for smart manufacturing capabilities, automation and technological innovations would potentially stabilise the electrical and electronics (E&E) industry in Malaysia.<sup>60</sup>
- **New Emerging Jobs:** The pandemic has moved society in the direction of contactless commerce, a development that could spur demand in the region for more skilled workers in **digital fields**. Increased demand for **healthcare and related** services also lead to job creation for professionals specialising in areas like specialised sanitisation services and mobile healthcare.
  - The **growing concentration of global supply chains within ASEAN**, will generate broadly positive macroeconomic effects that are likely to increase the demand for workers in many sectors in the region.<sup>61</sup>
  - Demand for **workers in knowledge management and digital services** has also increased with the region's move to digitalisation during the pandemic.<sup>62</sup> ASEAN also so increased demand for engineers with specialized knowledge on automation and robotic programming and workers with STEM backgrounds.<sup>63</sup>

<sup>56</sup> Speed Test, Exploring Internet Performance in Malaysia, 31 March 2020.

<sup>57</sup> Open Signal, Benchmarking Malaysia's 4G mobile network experience before the JENDELA initiative, December 2020.

<sup>58</sup> Forbes, [Automation, COVID, And The Future Of Work](#), 16 October 2020.

<sup>59</sup> ADB, [COVID-19, Technology, and Polarizing Jobs \(ADB Brief 147\)](#). August 2020.

<sup>60</sup> The Sun Daily, [Malaysian E&E industry to remain robust](#), 17 June 2020.

<sup>61</sup> Asia Foundation, [The Future of Work Across ASEAN](#), February 2020.

<sup>62</sup> Ibid.

<sup>63</sup> ILO, [ASEAN IN TRANSFORMATION](#), ,



### Key observation 1b:

## Regional cooperation will benefit ASEAN's future of work

Future of the work landscape in ASEAN will likely benefit from regional cooperation post COVID-19 recovery, with externally oriented countries to benefit the most. As with green jobs, some AMS are tapping into international green funds and attracting green investments which could lead to green job growth in the region.

### **a) 2021 key ASEAN focus is on recovery, digitalisation and sustainability.**

The 2021 ASEAN Chair, Brunei Darussalam proposed ten (10) Priority Economic Deliverables (PEDs) under the ASEAN Economic Community (AEC) Pillar following the theme “We Care, We Prepare, We Prosper”<sup>64</sup>.

The following broad themes has been identified as key areas that will drive the future of work initiatives in the region in 2021:

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<sup>64</sup> ASEAN 2021, [The ASEAN Senior Economic Officials Meeting \(SEOM\) Retreat](#), January 2021

- Part of the key **recovery** initiative is on the development of a recovery roadmap for the tourism sector that would serve as guidance in the preparation of a comprehensive and coordinated plan and solutions in the region.
- **Digitalisation** was also identified as a priority in fostering a resilient ASEAN through leveraging on new technologies with a focus on providing a safe, secure, and harmonized e-commerce environment and digital ecosystem within the region.
- Brunei also proposed the advancement of an inclusive and **sustainable economic growth** in ASEAN with a focus on ensuring the provision of guidance and support to micro, medium and small enterprises (MSMEs), sustainable energy transition and cooperation in the area of minerals.

**b) ASEAN Comprehensive Recovery Framework (ACRF)<sup>65</sup> highlights the region's commitment to protecting social welfare, sustainable development and climate aligned agenda in pandemic recovery.**

The ACRF was recently adopted at the 37th ASEAN Summit (2020), and the obvious presence of provisions addressing sustainability bodes well for the future of the environmental, social and governance (ESG) programme in the region. **Chapter 3** of the document, specifically relating to the **Broad Strategy 2: Strengthening Human Security**, responds to ASEAN's commitment to develop a recovery framework that puts the welfare of people at the core, by strengthening the protection and empowerment of all people and all communities in COVID-19 recovery and beyond. Under Broad Strategy 2, the following subsectors are relevant to the future of work in climate-aligned sectors:

- **Subsections 3e and 3g** seek to provide regional guidelines to facilitate cross-border movement of essential personnel such as business travellers, and later to help the tourism and travel industry recover, are necessary. At the 36th ASEAN Summit, leaders encouraged "the maintenance of necessary interconnectedness in the region by facilitating to the extent possible the essential movement of people, including business travels, while ensuring the safeguarding of public health in line with our efforts to combat the COVID-19 pandemic."
- **Subsection 5b's** intention to **facilitate the transition to sustainable energy (5b)** highlighted the need for immediate action, starting with the need to develop and implement

<sup>65</sup> ASEAN, [ASEAN Comprehensive Recovery Framework](#), November 2020.

decarbonisation strategies and coordinate measures strongly among countries to fight climate change.

- **Provision 5c** addressed basic infrastructure gaps and emphasised the need to ensure the building of green infrastructures.

### **c) The ASEAN Declaration on Human Resources Development for the Changing World of Work was adopted by the 36th ASEAN Summit in June 2020<sup>6667</sup>**

The ASEAN Member States are seeking to improve the quality of human resources since human resources are the drivers of innovation and productivity in a knowledge and digital economy.<sup>68</sup> The priorities are to build capacities directed at the Fourth Industrial Revolution, enable human innovation and upgrade the quality of human resource and thus human capital in the region.

Key cooperative areas at a regional level identified in the Declaration include:

- Strengthening of cooperation and coordination of relevant ASEAN sectoral bodies, private sector, academia, tripartite partners and other stakeholders to facilitate ASEAN's coordinated and holistic approach on human resources development
- Establishment of the ASEAN TVET Council (ATC) as a platform for coordination, research and development on innovations and monitoring of regional programmes that support the advancement of TVET in the region
- Strengthen cooperation between ASEAN and ASEAN's external partners, including international organisations, to facilitate the sharing of models, good practices, and experiences in advancing human resources development in a changing world of work.

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<sup>66</sup>ASEAN, [ASEAN DECLARATION ON HUMAN RESOURCES DEVELOPMENT FOR THE CHANGING WORLD OF WORK WE, the Heads of State and Government](#), June 2020.

<sup>67</sup> ASEAN, [ASEAN DECLARATION ON HUMAN RESOURCES DEVELOPMENT FOR THE CHANGING WORLD OF WORK WE, the Heads of State and Government of the A](#), June 2020.

<sup>68</sup>Ibid.

#### d) Imbalance in fiscal policy responses highlights opportunities for intra-regional ASEAN cooperation and solidarity<sup>69</sup>

AMS demonstrates different abilities to match the level of fiscal expansion needed to counter the widespread labour market disruption.

- **Low-income countries** are at a disadvantage given their limited fiscal space. **Medium-income countries** will be able to weather the short term effects of the labour market disruptions, but questions remain as to their ability to sustain this in a prologue crisis, while **high-income countries** have more than sufficient resources to address the decrease in working hours of up to 5.4%.<sup>70</sup>
- Urgent mobilization of official development assistance and greater international solidarity in support of the national prioritization of public financing towards improved outcomes in jobs and income support can fill this stimulus gap.<sup>71</sup>

Numerous pledges have been made, including among ASEAN labour ministers, to work together on mitigating the impact of the crisis and promoting solutions for recovery.<sup>7273</sup>

- During the Conference on the Future of Work in April 2020, **ASEAN labour ministers** move to welcome Singapore's suggestion to create human-centred regional initiatives, to sustain regional dialogue and capacity building by embracing technology, upskilling of workers, and providing safe and decent work for all.
- They also heeded the call of the ILO and the United Nations' Sustainable Development Goal 8, to "promote inclusive and sustainable economic growth, employment and decent work for all."<sup>74</sup>

<sup>69</sup> ILO, [▶ Asia-Pacific Employment and Social Outlook](#), 15 December 2020.

<sup>70</sup> Ibid

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<sup>72</sup> Joint Statement of ASEAN Labour Ministers on Response to the Impact of Coronavirus Disease 2019 (COVID-19) on Labour and Employment, 14 May 2020.

<sup>73</sup> Statement of the ASEAN Economic Ministers' Retreat, 8–10 March 2020, on Strengthening ASEAN's Economic Resilience in Response to the Outbreak of the Coronavirus Disease (COVID-19), which reaffirmed the commitment of keeping the ASEAN market open for trade and investment while strengthening supply chain resilience and sustainability.

<sup>74</sup> ASEAN, [The Fourth Industrial Revolution, Pandemics, and The Future of Work](#), June 2020

**e) RCEP could provide an economic boost amid COVID-19 shock and rising protectionism. Long-term economic benefits to accrue for RCEP's most externally oriented economies.**

The Regional Comprehensive Economic Partnership (RCEP)<sup>75</sup> Agreement was signed on 15 November 2020 between ASEAN and five dialogue partners, and is the largest free trade agreement in the world. Despite not directly addressing workers rights and environmental protection or standards,<sup>767778</sup> the RCEP agreement can potentially act as an important catalyst in reviving trade and investment flows, supporting incomes and employment across the region amid a gradual economic recovery. Countries like Cambodia, Laos and Myanmar are expected to see an increase in investment-linked to manufacturing once the RCEP agreement is ratified. For manufacturers that involve processes that need careful labour-intensive involvement, such as finishing garments, the unified rules of origin regulations under RCEP will motivate an increase of manufacturing investment as concerns finishing of products. This will see **investment interest increase in countries with lower-cost and lesser-skilled workers such as Cambodia, Laos, and Myanmar**, and will be of special interest to manufacturers from Australia, Japan, New Zealand, Singapore, and South Korea where production costs are higher.<sup>79</sup>

<sup>75</sup> ASEAN Secretariat, [RCEP legal text](#), 15 November 2020.

<sup>76</sup> Australian Fair Trade and Investment Network (AFTINET) [Regional Comprehensive Economic Partnership \(RCEP\)](#)

<sup>77</sup> The Brookings Institute, [RCEP: A new trade agreement that will shape global economics and politics](#), November 2020

<sup>78</sup> European External Action Service (EEAS), [The Regional Comprehensive Economic Partnership – what does it mean for the EU?](#), November 2020.

<sup>79</sup> ASEAN, [New RCEP Free Trade Agreement Rules of Origin to Boost Finishing of Products Investment into Cambodia, Laos & Myanmar](#), 16 November 2020.

## Key observation 1c:

### ASEAN Initiatives in social protection and green jobs

**a) Social Protection a long standing commitment of AMS, but there is a need to further develop frameworks for social protection in the medium to long term, especially in the smaller ASEAN economies.**

Ensuring social protection for all has been a long-standing commitment of ASEAN, with the region adopting the ASEAN Declaration on Strengthening Social Protection in 2013 and the Regional Framework and Action Plan in 2015.

Social protection is also embedded in the ASEAN Socio-Cultural Community Blueprint's strategic measures with an emphasis on extending coverage, accessibility, availability, comprehensiveness, quality, equality, affordability and sustainability of social services and social protection.

The following documents provide social protection in the ASEAN region:

- **Persons with Disabilities:** The **ASEAN Enabling Masterplan 2025: Mainstreaming the Rights of Persons with Disabilities** represents the culmination of a collaborative and cross-pillar initiative of ASEAN organisations and entities to enhance the promotion and protection of the rights of persons with disabilities in the ASEAN Community.<sup>80</sup>
- **Older Persons:** The upcoming **Regional Action Plan to Implement the Kuala Lumpur Declaration on Ageing: Empowering Older Persons in ASEAN** to promote “healthy, active, and productive ageing”, seeking to strengthen older persons and their families.<sup>81</sup>
- **Children:** In the area of child protection, the adoption of the **ASEAN Declaration on the Rights of Children in the Context of Migration**<sup>82</sup> and the **Declaration on Protection of Children from all Forms of Online Exploitation and Abuse in ASEAN**<sup>83</sup> have marked a step forward in the protection, services, and assistance provided to vulnerable children.

ASEAN will forge ahead with the operationalisation of the key components of regional social protection framework which are:

<sup>80</sup> ASEAN, [One vision one identity one community](#), February 2019.

<sup>81</sup> ASEAN, [KUALA LUMPUR DECLARATION ON AGEING: EMPOWERING OLDER PERSONS IN ASEAN](#).

<sup>82</sup> ASEAN, [1 ASEAN Declaration on the Rights of Children in the Context of Migration](#).

<sup>83</sup> ASEAN, [FINAL Declaration on the Protection of Children from all Forms of Online Exploitation and Abuse in ASEAN WE, the Heads of State](#)

- i. policy and programme development;
  - ii. capacity building;
  - iii. monitoring and evaluation; and
  - iv. institutionalisation.
- The **Declaration of the Special ASEAN Summit on COVID-19** (April 2020)<sup>84</sup> and the **Joint Statement of the Special ASEAN Ministerial Meeting on Social Welfare and Development on Mitigating Impacts of COVID-19 on Vulnerable Groups in ASEAN (June 2020)**<sup>85</sup>, signalled the awareness of being inclusive towards the vulnerable groups.

Despite the long standing commitment above, workforce relying on agriculture, natural ecosystems, biodiversity, water resources, public health, and infrastructure remained as at-risk sectors requiring attention. The most vulnerable groups of people are the poor, ethnic minorities, the elderly, women, children, and people with disabilities. Indigenous children of Cambodia and Thailand also show more malnutrition-related issues such as stunting and wasting compared to children of other groups and other AMS.<sup>86</sup>



<sup>84</sup> ASEAN, [Declaration of the Special ASEAN Summit on Coronavirus Disease 2019 \(COVID-19\) - ASEAN | ONE VISION ONE IDENTITY ONE COMMUNITY](#), 14 April 2020.

<sup>85</sup> ASEAN, [Joint Statement of The ASEAN Ministerial Meeting on Social Welfare and Development Mitigating Impacts of Covid-19 on Vulnerable Groups in ASEAN - ASEAN | ONE VISION ONE IDENTITY ONE COMMUNITY](#), 11 June 2020.

<sup>86</sup> UNDP, [Human Development Report 2020](#), 15 December 2020.

## b) ASEAN Declaration on Human Resources Development for the Changing World of Work (June 2020) looks to improve the quality of human capital in the region.

- The ASEAN Declaration on Human Resources Development for the Changing World of Work calls for the development of a roadmap for its implementation through concrete strategies and actions that will complement the work plans of the ASEAN Labour Ministers Meeting (ALMM), ASEAN Education Ministers Meeting (ASED), ASEAN TVET Council (ATC)<sup>1</sup> and other relevant sectoral bodies, and is in cognizant of the changing world of work due to technological advances, demographic transition and greening economies that offer both opportunities and challenges to the economies, industries and employment in the region.<sup>87</sup>
- The ASEAN TVET Council (ATC) has been established under Article 12 of the said Declaration as a platform for coordination, research and development on innovations and monitoring of regional programmes that support the advancement of TVET in the region.<sup>88</sup>
- The following key areas were identified as areas of importance in developing the ASEAN human resources in the June 2020 Declaration<sup>89</sup>:
  - **Vocational education and training** must meet the requirements of the labour market, with a focus on high-quality skills that match the occupational standards of developed countries.
  - Second, **lifelong learning** must be encouraged to upgrade skills, maintain employment and adapt to new forms of work.
  - Third, countries must **improve labour market governance** to balance and regulate the supply-demand relations better.
  - Fourth, countries must craft **policies that encourage decent work to protect employees' rights and dignity in the workplace**. Finally, social protection must be in place to support vulnerable and disadvantaged people in the context of international integration, competition, changing production technology, and climate change.

<sup>87</sup> ASEAN, [1 Adopted by ALMM and ASED on 16 September 2020 Roadmap of the ASEAN Declaration on Human Resources Development for the Changing](#), November 2020.

<sup>88</sup> Ibid.

<sup>89</sup> ASEAN, [The ASEAN: Issue 2](#), June 2020.

### c) Key international green funds are supporting green initiatives in the region, encouraging AMS's move to increase social protection and look to green initiatives in creating jobs

- Some AMS have gradually moved into the green area or expanded on current projects to tap into international funding for sustainable and environmental development projects.
- In the medium to long term, Singapore included some long-term ecological measures<sup>90</sup> that could potentially lead to demand for green jobs in the city state. Indonesia, the Philippines and Vietnam have secured investments for green recovery projects<sup>91</sup> that are expected to lead to green job creation.

### d) Several AMS announced initiatives to include the clean energy transition in their COVID-19 recovery plan.

- In November 2020, ASEAN Energy Ministers have agreed to set a new target of 35% renewable energy (RE) in installed power capacity by 2025 under the ASEAN Plan of Action for Energy Cooperation (APAEC) Phase 2.<sup>92</sup>
- Governments have an unprecedented opportunity to accelerate clean energy transitions and several AMS has taken advantage of this by including investments in renewable energy as a key part of their medium to long term recovery plans.<sup>93</sup>
- Some examples of recent initiatives included the opening of 1GW of Large-Scale Solar (LSS) in Malaysia<sup>94</sup> and the invitation of investment in renewable energy projects under COVID-19 Economic Relief Plan (CERP) in Myanmar<sup>95</sup>.

<sup>90</sup> ING, [Asia's lamentable green response to Covid-19](#), August 2020.

<sup>91</sup> ADB, [Greening the Post-COVID-19 Recovery](#), 23 July

<sup>92</sup> ASEAN, [Joint Ministerial Statement of the 38 ASEAN Ministers On Energy Meeting - ASEAN | ONE VISION ONE IDENTITY ONE COMMUNITY](#), November 2020.

<sup>93</sup> ASEAN, [ASEAN's Road to a Green Economic Recovery](#)

<sup>94</sup> Renewables Now, [Malaysia opens 1-GW solar tender under COVID-19 recovery plan](#), June 2020.

<sup>95</sup> Global Compliance News, [Myanmar: The COVID-19 Economic Relief Plan](#), May 2020.



### **e) Green initiatives potentially drive demand and create green jobs in ASEAN**

The International Renewable Energy Agency (IRENA)'s Annual Review Report 2020<sup>96</sup> reported that Malaysia, Indonesia, Thailand and Vietnam were responsible for a greater share of growth in renewables jobs in 2019, driven primarily by growth and employment in biodiesel and solar photovoltaic (PV) manufacturing in the region. Altogether, IRENA estimates Malaysia's renewable energy workforce at 187,000 in 2019. Main drivers for employment growth in the regions are:

- **Biodiesel:** Indonesia overtook the United States and Brazil to become the largest national producer and world's second top employer of biodiesel in 2019. Biodiesel production in Malaysia, the Philippines and Thailand, which have labour-intensive supply chains, also rose to 5.6 billion litres in the same year and created an estimated combined workforce of 261,600 in the three countries.

<sup>96</sup> IRENA, [Renewable Energy and Jobs – Annual Review 2020](#), September 2020.

- **Solar PV manufacturing:** In Vietnam, IRENA estimates that, due to the accelerated pace of deployments and large exports, Vietnam’s solar PV workforce stood at 56,700 jobs in 2019 (overtaking a 2019 World Bank supply-chain assessment that foresaw 45,000 full-time equivalent (FTE) jobs by 2030 in Vietnam<sup>97</sup>. The manufacturing and construction and installation segments of the value chain each accounted for around 25,000 of these jobs, with the remainder in operations and maintenance. In Malaysia, an estimated 54,900 people work in solar PV in 2019, the Philippines at 33,700 and followed by Thailand.<sup>98</sup>
- **Hydropower:** The hydropower sector saw Vietnam and Myanmar as the largest employers in employing 4% and 3% of the total hydropower workforce globally.
- **Wind power:** Wind power employment in the region is mainly driven by The Philippines and contributed close to 18,780 jobs in 2019. The industry is however expected to shrink in the coming year due to commercial feasibility and efficiency issues.
- **Solid Biomass:** Employment for solid biomass stood at more than 11,000 in the Philippines as of March 2020.<sup>99</sup>
- **Geothermal:** Employment for geothermal power added another 11,980 jobs in the Philippines as of March 2020.<sup>100</sup>

Accordingly, if the investment is extended to develop regional expertise of renewable energy for research and development (R&D), installation, operation, and maintenance, citizens of ASEAN countries could replace international consultants.

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<sup>97</sup> World Bank, [Vietnam Solar Competitive Bidding: Strategy and Framework](#), 2019.

<sup>98</sup> Estimates by SEDA in the IRENA report [Renewable Energy and Jobs – Annual Review 2020](#).

<sup>99</sup> March 2020 estimates provided by REMB DOE (Renewable Energy Management Bureau – Department of Energy, Philippines) in the IRENA report [Renewable Energy and Jobs – Annual Review 2020](#).

<sup>100</sup> Ibid.

## 2. Opportunities to Act

One might argue that those countries already embarking on environmental policies would more easily have found 'oven ready' green projects by accelerating existing project pipelines given the need for urgent job creation and demand protection. Research suggests that in many if not most cases, **green stimuli can deliver a stronger boost to the economy than other policies and generate a greater number of jobs.**<sup>101102103</sup>

A search was conducted on AMS's emergency stimulus packages, statement of commitments, medium term stimulus responses, FDI policies, inked projects, funding obtained and changes to the legal landscape to name a few for areas of opportunities that will lead to future green jobs.

Below is a summary of the proposed climate aligned actions that can be incorporated into ASEAN countries' COVID-19-related economic recovery initiatives to produce quick policy wins:

- **The need for sustainable solutions leads to job opportunities:** Need for cleaner air quality, healthier water, effective waste management, and enhanced biodiversity protection will drive demand for work. It not only reduces the vulnerability of communities to pandemics and improves resilience, but also has the potential to boost economic activity, generate income, create jobs, and reduce inequalities. Various green sectors and activities offer significant prospects for job creation; for example in hiring unemployed day laborers to do planting in cities, buildings and suburban areas; restoring marine and river ecosystems; investing in sustainable fisheries to enhance the livelihoods for fisherfolk; and keeping or restoring existing green jobs in conservation and pollution control.
- **Economic growth in ASEAN region driving demand for electricity and renewable energy:** Economic growth has given rise to the demand for electricity, leading to a steep growth in infrastructure projects in many parts of ASEAN. With the adoption of the ACRF, the Energy Ministers in the ASEAN region have agreed to set a new target of 35% renewable energy (RE) in installed power capacity by 2025,<sup>104</sup> the opportunities for growth in renewable energy, notably solar PV, is substantial.
- **Greening of enterprises, workplace practices and the labour market as a whole:** These efforts create decent employment opportunities, enhance resource efficiency and build low-carbon sustainable societies. Green practices such as work from home (WFH)

<sup>101</sup> ING, [Asia's lamentable green response to Covid-19](#), August 2020.

<sup>102</sup> Brian O'Callaghan and Cameron Hepburn, "[Leading Economists: Green Coronavirus Recovery Also Better for Economy](#)," May 5 2020

<sup>103</sup> RBHR Forum, "[United Nations Virtual Forum on Responsible Business and Human Rights Concept Note](#)," [Responsible Business and Human Rights Forum](#), June 9 2020.

<sup>104</sup> ASEAN, [JOINT MINISTERIAL STATEMENT OF THE 38th ASEAN MINISTERS ON ENERGY MEETING 19 November 2020](#).

or teleworking and green procurement practices like local procurement or the shortening supply chains can be built into business continuity plans and help build business resilience.

- **Facilitate a sufficient supply of reskilling and redeployment services:** Reskilling is most effectively undertaken in partnership with employers, but too often this task is managed by siloed training institutions. Facilitating partnerships across the corporate world to provide training can boost the volume and effectiveness of reskilling.
- **Provide funding to support demand for training:** Providing government support to pay for a portion or all of these training programmes could help. For example, as part of COVID-19 stimulus, Singapore is offering a 6 to 12 months training programme including a monthly allowance of US\$899 (S\$1,200) per participant for living expenses.<sup>105</sup>
- **Match supply and demand using data:** The jobs that disappear during the COVID-19 downturn may not be the same ones that return as the economy recovers. To encourage thoughtful reskilling, countries could analyse likely sources of economic growth and job opportunities, categories at risk from COVID-19 and automation, and feasible pathways for job seekers to transition into new opportunities, especially in green growth areas which are lacking capabilities.
- **Greening of office spaces:** Support the retrofitting of empty office space into spaces with improved energy efficiency and less covid risk through improved ventilation and better indoor air quality. In Singapore the Economic Development Board (EDB) is assisting many such new innovations and in Malaysia the My Hijau recognition has been set up to support innovative green technologies and solutions. Many local technologies can assist this process and create demand for green jobs in architecture, building management and interior design fields to name a few.
- **Green assessment and minimum standards required as a pathway to green job creation.** The implementation of green certification assessment and requirements will lead to an increase in demand for green skills, and subsequently green jobs. Below are some examples of green assessment and standards in the region:
  - Green Human Resource Management
  - Energy Efficiency and Conservation (EEC) Building Guidelines
  - Green Building Standards and Certification Systems
  - Green Technology Financing Scheme

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<sup>105</sup> Government of Singapore, [SGUnited Jobs & Skills](#), 2020.



**Table 1: Regional green policy recommendations for ASEAN**

<p><b>1. Investment into green Infrastructures will drive the growth of green jobs</b></p>
<p>ASEAN has an opportunity to unlock economic growth by doubling down on green infrastructure as well as addressing basic infrastructure gaps. For example, in Indonesia, 47% of households have no internet access,<sup>106</sup> and 11% do not have access to clean water.<sup>107</sup> In a fiscally constrained environment, policymakers could consider regulatory models that offer fair returns to encourage investment in these sectors, and create jobs at the same time.</p> <p>Building green infrastructure such as renewable and energy efficiency technologies could accelerate economic growth. According to 2017 research by Heidi Garrett-Peltier, these technologies have nearly three times the job-creating impact of investment in fossil fuels.<sup>108</sup></p> <p>Megatrends and opportunities in green buildings, low carbon and healthy buildings, NDC Coordination across the region could also unlock green job opportunities in the region. NDC Coordination across the region can attract funds as part of the Paris agreement for implementation and unlock huge opportunities for green jobs relating to Green Procurement in both government and listed companies.</p> <p>Aligning taxes, subsidies, and incentives with environmental priorities and standards, introducing or reforming economic instruments to raise domestic resources for green projects, earmarking budgets for green projects, supporting project preparation through support for R&amp;D, innovation, and strategic environmental assessments, which can help de-risk investments and crowd in private capital. The ASEAN Catalytic Green Finance Facility<sup>109</sup>, under the ASEAN Infrastructure Fund, is owned by all AMS and can facilitate green infrastructure investments and lead to further growth in green job demand.</p>
<p><b>2. Facilitating the move to green jobs in reskilling and upskilling programmes</b></p>
<p>The ACRF recently recognised the need for ASEAN to move into growing sustainable economies, and it is important to grow human resources capacity in this area, and ensure that the well-being of green job workers is protected.</p> <p>There is an immediate opportunity to certify green workers through upskilling programmes in the region. For example, tour guides and eco tourism related businesses</p>

<sup>106</sup> Statista.com, Indonesia, 2020.

<sup>107</sup> [Water.org](http://Water.org), Accessed December 2020.

<sup>108</sup> Heidi Garrett-Peltier, "Green versus brown: Comparing the employment impacts of energy efficiency, renewable energy, and fossil fuels using an input-output model," *Economic Modelling*, February 2017, Volume 61, pp. 439-47.

<sup>109</sup> ADB, [Overview: ASEAN Catalytic Green Finance Facility \(ACGF\)](#), Accessed December 2020.

<p>may be certified <b>to recognise competency and commitment to sustainable tourism</b>. Programmes like the National Geographic Educator’s Programme<sup>110</sup> could potentially be adapted as a region-wide framework for training and certification for tour guides as environment educators.<sup>111</sup></p> <p>Skills gaps and shortages are already recognised as a major bottleneck in several sectors, such as renewable energy, energy and resource efficiency, renovation of buildings, construction, environmental services and manufacturing and capacity building in these areas are critical to the growth of the green initiatives in the region. The availability of workers and enterprises with the right skills for green jobs plays not only a critical role in initiating the transition to a green economy, but also in enabling a just transition that ensures social inclusion and decent work.</p>
<p><b>3. Encouraging the growth of social enterprises in climate aligned products and services</b></p>
<p>MSMEs account for a large share of total establishments in ASEAN; with their wide-spread presence in virtually all sectors of the economy, as well as in the non-urban and rural areas, MSMEs and the MSME development agenda are good vehicles to achieve inclusive growth in the region.</p> <p>Requirements and framework for sustainable assessment and certifications could encourage green procurement and create market demand and provide long term incentives to move SMEs towards sustainable low carbon products and services.</p>
<p><b>4. ASEAN countries’ governments must adjust or develop labour laws and further develop IT infrastructure to prepare for the future</b></p>
<p>The pandemic has pushed many enterprises to adopt work-from-home policies. Despite some exceptions, national labour laws pertaining to work-from-home arrangements and other non-standard forms of employment are not yet in place. Where such laws are in place, they were not intended for the current pace and magnitude. Investments in IT infrastructure to support WFH arrangements is urgently needed to ensure the sustainability and continuity of teleworking.</p>

<sup>110</sup> National Geographic Society, [Nat Geo Education](#).

<sup>111</sup> Ministry of Finance and Economy of Brunei, [News - Brunei Sets Three Objectives Amid COVID-19](#), March 2020



### 5. Revive heavily affected economic sectors and prevent long-term unemployment.

Many heavily affected sectors, such as tourism and the retail sector, still face an uncertain future. Given the usually large number of intra-ASEAN tourists, the sector's recovery could involve the collective efforts of member states. Some who lost their jobs in these sectors face the possibility of long-term unemployment. A major challenge will be to retrain these workers for jobs that are more likely to be available soon, such as online retail. These workers may need additional training, including digital technology skills.

## 3. Conclusion

COVID-19 presents a lot of opportunities for ASEAN member states, but has also challenged governments in the region due to limited resources, and the **need to balance sustainable growth in the future with the current need to save lives and livelihoods**. The pandemic has made it a necessity for some of the AMS to develop previously less developed economic sectors in natural resources and to accelerate human development. **The pick up of interest from international investors in infrastructure projects has grown** in tandem, making it a **necessity to ensure that the benefits to country and businesses are balanced off with the social welfare of the communities and sustainable environmental development**.

Earlier stimulus packages in response to the pandemic have been mainly focused on short-term measures to counteract the effects of the pandemic on the economy and society. In recent months, however, the majority of the **AMS has reinforced their commitment to the reduction of carbon emissions, and sustainable recovery** through various country level policies and initiatives, leading to the opportunities for green job growth in the region in renewable energy, manufacturing and agriculture.

In the medium to long-term, **ASEAN needs to ensure that it solves prevailing issues related to livelihood, income disparity, gender issues and economic growth while taking into account climate-aligned considerations to ensure a resilient and sustainable recovery for the region**.