



Regional: Quality Jobs and the Future of Work

Project Name	Quality Jobs and the Future of Work
Project Number	54100-001
Country	RegionalArmeniaGeorgiaIndonesiaPapua New Guinea
Project Status	Proposed
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	TA: Jobs, Social Protection, and the Future of Work Technical Assistance Special Fund US\$ 1.50 million
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development
Sector / Subsector	Education - Technical and vocational education and training Public sector management - Social protection initiatives
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	The knowledge and support technical assistance (TA) will strengthen the capacity of developing member countries (DMCs) to facilitate access to quality jobs to support inclusive growth. The TA will (i) will develop new directions for social protection in addressing emerging challenges in the future of work; (ii) develop effective approaches for skills development to respond to skills needs of future jobs and job facilitation for women and vulnerable groups; and (iii) initiate a coherent approach to facilitating quality jobs for ADB-wide operations. The TA is in line with Strategy 2030 operational priority 1 , pillar 2, which underlines the importance of quality jobs in addressing remaining poverty and reducing inequality. The TA is included in the 2020 management-approved results-based work plan of the Sustainable Development and Climate Change Department.

Project Rationale and Linkage to Country/Regional Strategy

Facilitating access to quality jobs is essential for creating a region without poverty and with reduced inequality. The Asia and Pacific region saw rapid economic progress over the past 25 years, creating 30 million jobs annually and contributing to significant improvements in living standards. The growth in jobs has been accompanied by improved productivity, higher earnings and large reductions in poverty. Despite continued economic growth (4.6% in 2019) and a relatively low unemployment rate (4.4% in 2019), developing Asia's job challenge is far from over. While new jobs were created at a rapid pace in the last two decades, they have not always been quality jobs providing a secure and stable source of income, particularly for the poorest and most vulnerable. Moreover, several structural weaknesses in the labor market threaten even the progress that has been made. The share of youth Not in Employment, Education or Training is on the rise and reached 24.3% in 2019; labor underutilization remained at 10.3% in 2019. Importantly, two-thirds of the workforce remain in the informal sector while, 4.2% of workers in Asia and the Pacific continue to live in extreme poverty and another 14.6% live in moderate poverty. Gender disparities in labor force participation also continue to persist, particularly in South Asia (23.2% among women compared to 76.9% among men in 2019). From 2015 to 2030, the labor force is projected to increase by about 11 million per year, requiring inclusive and sustained economic growth and a better trained workforce to increase productivity. Without inclusive, quality jobs and a skilled workforce, Asia and the Pacific will be unable to address remaining poverty and inequality in the region.

A major challenge for Asian economies is to cope with structural changes and disruptions in job markets. COVID-19 is a global health emergency with significant immediate as well as longer term social and economic implications, causing a massive disruption in the labor market, affecting both workers and enterprises. Other structural changes, such as technological advances, demographic changes, climate change and economic integration are fundamentally affecting the future of work, requiring higher skills from workers and leaving many with less secure jobs. Technological disruptions will lead to job displacements and changing skill and task profiles, imposing hardship on workers who do not yet have the necessary skills to adapt to new tasks or access job opportunities in the new digital economy, especially female workers who tend to be affected the most. Based on a McKinsey study, it is expected that by 2030, 14% of the global workforce will be displaced. Additionally, new forms come with less job security, requiring workers to potentially have several part-time, on-call and temporary jobs to sustain income and livelihoods. Demographic changes are also visible in the region with many countries in South and Southeast Asia as well as the Pacific experiencing a youth bulge, while other countries in East and Southeast Asia, are witnessing rapid aging. Demographic changes are also contributing to growth in migration. One new trigger is the growing demand for skills and care services to support aging societies in the region and globally. Climate change is another major trend shaping the future of work, creating both challenges and opportunities, for instance, through green jobs.

Social protection systems will need to be adjusted to better support the worker in a changing labor market. Social protection systems are needed in order to address labor market imperfections, and as such support workers' access to quality jobs. The labor market is becoming increasingly mobile and requires an increasingly skilled workforce. Social protection through appropriately designed labor market policies and programs has the tools to provide the necessary support to the workers to regularly upgrade their skills through skills training, to be more mobile through job facilitation and to secure their livelihoods between jobs through unemployment benefits. While governments in the region started to reform social protection systems, these reforms are still relatively underdeveloped and not well prepared to address the needs for the future of work. Across Asia, there is only limited spending on active labor market programs, and only few countries have introduced unemployment insurance. The right mix of labor market policies and programs needs to be found between increasing the flexibility in the labor market and providing security for the workers. With long-term employment in decline, it is important to protect mobility. Income replacement protection is needed in a more mobile labor market with more frequent spells of unemployment, together with skilling and reskilling support, allowing workers to move between jobs. Well-designed public works, skills training and entrepreneurship programs are needed to improve employment opportunities for informal sector workers, avoiding gender disparities.

Skills development systems need to better adapt to the future of work and job facilitation needs to be enhanced for women and vulnerable groups. Lessons learnt from skills development projects suggest that alignment to industry demand is crucial for job market success. Far greater investments in on-the-job training, upgrade of curriculum and new, flexible credential systems are required to cope with the changes. In certain types of jobs, women are at greater risk of job displacements arising from automation compared to men, calling for closer attention to equipping girls and women to access jobs of the future. The SkillsFuture initiative of Singapore is an example of how ongoing support to skills development can help citizens to be productive, access higher order jobs, provide mid-career support to help workers remain employable and move to new jobs or new roles. Training institutions need to evolve to service new occupations and become far more agile and versatile in their course offerings and modes of delivery, including in developing a suite of training options for back-to-school' programs for mid-career workers to re-skill and up-skill in tune with market demand. Moreover, skills development can help to professionalize important social services sectors. There is great job creation potential in the care economy which includes health and care support professions. The number of opportunities in the care economy per 10,000 new opportunities is estimated to grow from 193 in 2020 to 260 in 2022. This is an example of how informal sector can be professionalized through adequate skills training and bring socio-economic returns to society, such as elderly care. Another critical role is the matching of labor demand and supply for vulnerable groups. New digital tools can be more efficient and effective in job facilitation, particularly to the disadvantaged who may lack market information.

A coherent approach to facilitating quality jobs will amplify returns from infrastructure and other investments for DMCs. In order to strengthen approaches to facilitate quality jobs through ADB projects, it is necessary to understand the past and ongoing experiences. A good example of the demonstration of job creation from infrastructure is the ADB-supported Visakhapatnam-Chennai Industrial Corridor Development Program, linking infrastructure with employment growth, potentially generating 11 million additional jobs over a 30-year period. The first steps towards a coherent jobs approach for ADB includes mapping of the lessons from such projects, and the development and testing of job diagnostic tools to better understand the specific demand and supply side constraints to quality jobs. Additionally, ADB can draw on the experience of other organizations including the World Bank and ILO to develop diagnostic tools for job facilitation, job matching and job creation.

Impact	Access to quality jobs improved
Outcome	DMC capacity to facilitate access to quality jobs improved
Outputs	New directions for social protection developed Effective approaches for skills development developed Coherent approach to facilitating quality jobs for ADB operations initiated
Geographical Location	Armenia - Nation-wide; Georgia - Nation-wide; Indonesia - Nation-wide; Papua New Guinea - Nation-wide

Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Business Opportunities	
Consulting Services	ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.
Procurement	not applicable
Responsible ADB Officer	Van der Auwera, Michiel
Responsible ADB Department	Sustainable Development and Climate Change Department
Responsible ADB Division	SDTC-SOC
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines

Timetable	
Concept Clearance	-
Fact Finding	-
MRM	-
Approval	-
Last Review Mission	-
Last PDS Update	17 Apr 2020

Project Page	https://www.adb.org/projects/54100-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54100-001
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