

Asia & Pacific Region Activity Report 2008

By the Vice-President
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I. Introduction

- (1) Vice-President of the Asia & Pacific Region
As of August 24, 2007, Toshiaki Ohta, Director General of the Employment Security Bureau of the Ministry of Health, Labour and Welfare, assumed the post of Vice-President of the WAPES Asia & Pacific Region, as well as becoming Japan's representative to this association.
- (2) Member countries of the Asia & Pacific Region
On August 1, 2008, Republic of Korea became the newest member of this Region, joining the seven other member countries of Australia, China, Japan, Mongolia, New Zealand, the Philippines, and Thailand. Azerbaijan, which joined this Region in August 2007, transferred to the European Region after the meeting of the Executive Committee in February 2008.

II. Recent Topics Related to Public Employment Services (PES) in the Asia & Pacific Region

- (1) Employment and unemployment situation in member countries
The employment and unemployment situation in the member countries is shown in the chart below. The information in the chart is basically annual data. Therefore, the effect of the recent global financial crisis on the employment and unemployment situation in the Asia & Pacific Region member countries will require close examination in the future.

Employment and unemployment situation of member countries (2007)

	Real GDP growth (%)	Number of employed people (thousands)	Number of unemployed people (thousands)	Unemployment rate (%)
Australia	3.2	10,587	494	4.5
China	11.4	769,900	8,300	4.0
Japan	2.1	63,690	2,750	3.8
Mongolia	9.9	968.3	29.9	3.3
New Zealand	3.0	2,158	81	3.6
Philippines	7.3	33,671	2,248	7.3
Thailand	4.8	35,686	510	1.4
South Korea	5.0	24,216	783	3.2

Source: Cabinet Office, Government of Japan *Overseas Economic Data Monthly* and other sources

* The number of employed persons and the unemployment rate in Mongolia are based on 2005 data. The number of employed persons in Thailand is the size of the total labor force.

(2) Recent topics related to the employment and unemployment situation, and employment policies

○ Australia

The Australian economy, which has expanded steadily and enjoyed long-term growth since the early 1990s, had a growth rate of 3.2% in 2006-2007. Looking at unemployment trends, both the number of unemployed people and the unemployment rate have been declining over the past several years. As of November 2007, the number of unemployed people stands at 494,000 and the unemployment rate is 4.5%.

Australia is currently reviewing the existing Job Network and other employment services, and plans to introduce new employment services in July 2009. Specifically, this would include (1) change to a more simplified, integrated service that will allow support for jobseekers in view of their level of disadvantage and individual needs, (2) implementation of measures for allocating more financial resources for the most disadvantaged jobseekers, (3) and reinforcement of activities that will give jobseekers the skills and experience that will lead to stable employment. The Australian government is actively engaging in the effort to develop these new employment services as part of their effort to implement the policy framework called, the "social inclusion agenda" (which aims to build a strong economy by ensuring access to work for all and connecting them to families, friends, and the local community).

○ China

Due to strong growth in domestic consumption and increased exports, China's economy continues to enjoy growth. According to the National Bureau of Statistics, the number of employed persons in 2007 reached 769.9 million. The number of people who were registered as unemployed in urban areas was 8,300,000, and the urban unemployment rate through unemployment registration was 4.0%. The unemployment rates trended upwards until 2003, but have since gone into a gradual decline.

In 2007, the Standing Committee of the National People's Congress (NPC) passed the Labor Contract Law banning employment discrimination based on gender or whether or not the person has a physical disability, as well as mandating that local governments strengthen job placement, vocational training, and other services. This new law, which took effect on January 1, 2008, is intended to protect workers and supplements the Labor Law. To facilitate the implementation of the new law, the draft Labor Contract Law Enforcement Ordinance was made public in May to solicit opinions from society at large. Against the backdrop of the transition from planned economy to market economy, active efforts are also being made in recent years in youth employment measures for university graduates, measures on migration of workers from rural areas, and vocational training to supply engineers, who are in short supply amid the country's economic development.

○ Japan

Looking at Japan, the average for 2007 of the ratio of job openings to people applying for jobs was 1.02 (a decrease of 0.04 points from the previous year), and the jobless rate was 3.8% (a decrease of 0.3 points from the previous year). The ratio of job openings to people applying for jobs is trending downwards. At 0.84 in September, it was below 1.0 for 10 consecutive months.

In addition to promptly implementing the employment measures provided by the fiscal 2008 supplementary budget, the Ministry of Health, Labour and Welfare intends to aggressively improve the employment and unemployment situation by introducing new policies, including (1) establishing Special Grant for Hometown Employment Resurgence, with the objective of creating job opportunities for jobseekers in local communities by initiating projects funded by a new fund; (2) providing subsidies to employers who set job openings specifically for and employ older *freeters* (job-hopping part-timers) of 25 to 39 years of age (¥1,000,000 and ¥500,000 for each *freeter* employed by a small- and medium-sized firm and by a large firm, respectively); (3) expanding employment support for non-regular workers and finding more new job openings by strengthening the PES functions; and (4) expanding the Subsidies for Assisting in the Recruitment and Retention of Nursing Care Workers, as the separation rate of nursing care workers is relatively high.

- Mongolia

Since 1994, due to the economic reforms started in 1991, the Mongolian economy has continually shown positive growth, achieving 9.9% growth in 2006. The unemployment rate since 2002 has been steadily maintained in the 3% range, with the rate in 2005 being 3.3%.

The Ministry of Social Welfare and Labour of Mongolia undertook various efforts to facilitate the establishment of new businesses, such as revising the Employment Promotion Law and setting up a one-stop center to provide employment services and social welfare services under one roof.

- New Zealand

Among the Organization for Economic Cooperation and Development (OECD) countries, New Zealand has enjoyed a high-growth economy since the latter half of 2001, achieving a real GDP growth rate of 3.0% in 2007. Employment trends have remained strong since 1999, with a record 2,126,200 people holding jobs as of the end of March 2007. The unemployment rate in 2007 was maintained at 3.6%, the same rate as the previous year. In recent years, the percentage of older workers in the labor force is increasing, while that of younger workers is decreasing.

In a recent undertaking to address labor shortage in the healthcare field, New Zealand is promoting employment through implementation of medical care program. Specifically, the program imparts knowledge and confidence to long-term unemployed persons through a combination of study and lectures, to help them obtain the necessary qualifications. Twenty-five people have found stable employment after completing this program.

- Philippines

In the Philippines, consumer spending and exports remained firm, due to increased consumption resulting from the improvement in the employment situation and an increase of 13.2% from the previous year in funds remitted from overseas Filipino workers (OFW). The real GDP growth in 2007 was 7.3%, the highest rate in the last 31 years. On the other hand, inflation is rising due to the global surge in the oil and food prices. The unemployment rate, which stood at 7.3% on average in 2007, is declining.

In accordance with the Public Employment Service Office Act, which was enacted in 1999, the improvement of public employment service offices is currently being carried out throughout the country. The government agencies responsible for this

project, namely, the Department of Labor and Employment (DOLE) and the Public Employment Service Office (PESO), as well as the related organization People Management Association of the Philippines (PMAP), announced in August 2008 that they had agreed to cooperate in promoting employment while enhancing workers' capabilities at the same time.

○ Thailand

Because of the favorable economic situation in Thailand (a growth rate of 4.8% in 2007), the labor market on the whole was stable, with the number of people employed standing at approximately 35,686,000 and an unemployment rate of 1.4%. And the unemployment figures in urban areas, especially Bangkok, are better than those of rural areas. As a consequence of this, the number of foreign laborers flowing into Thailand has also shown an increase.

Thailand's Labor Protection Act, which was enacted in 1998, was revised. The revised law was promulgated on February 27, 2008, with a part of the law going into effect immediately, and was fully put into effect on May 27. One of the purposes of the revision was to dissipate dissatisfaction with working conditions among temporary and contracted workers, who are increasing in number in Thailand. The revision included provisions that stated, in summary, that (1) as for temporary workers providing some kind of labor within a production process or business at the responsibility of a business establishment, the operator of that business establishment will be deemed as the employer of the temporary workers and (2) business establishments must ensure that temporary workers who are engaging in the same work as workers under a direct employment contract have fair rights and benefits without any discrimination.

○ Republic of Korea

Due to South Korea's rapid yet sustainable economic growth during the 1970s through 1980s, the country's unemployment rates were maintained at around 3%. The recession following in the wake of the economic crisis in 1997, however, had a seriously negative consequence on the employment situation. Faced with a staggering number of unemployed people, the South Korean government implemented a wide range of measures, including strengthening of public employment services and creation of more opportunities for people to receive vocational training, which helped the country to come out of the crisis. In recent years, the Republic of Korea's economy is growing at rates close to 5%, led by buoyant exports (the volume of exports in 2007 was the largest ever, up 14% from the previous year). On the other hand, the sluggish domestic demand and gains in prices set off by the rise in oil prices makes prospects for future economic growth uncertain.

Although the unemployment rates remain low in the 3% range, the unemployment rates of young people (15 to 29 years of age) have climbed to 7 to 8% in recent years. The employment rates are also on the decline, from 45.1% in 2004 to 42.6% in 2007. Under these circumstances, a series of "measures for youth employment promotion" was adopted on August 29, 2008, and implemented. Increase in the subsidies to help young people pay the business start-up costs and subsidies to assist small- and medium-sized firms pay salaries to young interns (half of the salaries for six months) are some of the measures introduced to provide employment opportunities suited to young people.

III. WAPES Activities by the Asia & Pacific Region

In November 2007, Japan hosted the Asia & Pacific Region Workshop and the WAPES Managing Board Meeting for the first time. Some 60 persons, including representatives of all member countries of the Region as well as those from outside the Region, participated in the event, in which lively discussions were held in a panel-discussion format. The Republic of Korea's participation also led to its entry in the WAPES on August 1, 2008. In February 2008, the Deputy Director of the Employment Policy Division of the Employment Security Bureau of the Japanese Ministry of Health, Labour and Welfare attended the meeting of the Executive Committee as the representative of the Vice-President of the Asia & Pacific Region. Through these and other efforts, the Asia & Pacific Region has been very active in contributing to the activities of WAPES.

In addition, Japan is also active in promoting the dissemination of information through such efforts as contributing an article on an interview with Toshiaki Ohta, Director General of the Employment Security Bureau of the Japanese Ministry of Health, Labour and Welfare, to last year's newsletter.

Exchanging information and opinions with other member countries through proactive participation in these WAPES activities is very significant and meaningful. Therefore, I would like to continue to provide encouragement to the member countries of the Region to take an active part in the activities of WAPES.