Asia-Pacific Economic Cooperation

Advancing Free Trade for Asia-Pacific Prosperity

APEC Economic Policy Report 2021

Structural Reform and the Future of Work

Annex B:

Case Studies[1]

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[1] The terms such as "national", "nation" used in the text are for purposes of this report and do not imply the "political status" of any APEC member economy.

CANADA: FUTURE SKILLS IN CANADA'S RENEWED APPROACH TO LIFELONG LEARNING

Introduction

Upskilling, reskilling, and lifelong learning play increasingly important roles in helping individuals succeed in Canada's dynamic and evolving labour market. Over the course of the last few decades, the Canadian labour market has experienced a decline in the share of manual and routine jobs and an increase in skilled jobs that usually require some form of post-secondary education (PSE). This shift in Canada's labour market can be attributed in part to Canada's open and globally inter-connected economy, its skilled workforce, and mega-trends impacting the future of work (such as technology, climate change, and globalization). All of these mega-trends influence the evolution and future of Canada's labour market and its skill strategy. Technological changes, in particular, create significant opportunities and challenges for the evolution of the labour market.

New technologies can nurture economic growth and create new jobs, yet at the same time they can be disruptive. Workers may need to adapt to new job requirements or transition to new employment opportunities. This situation has been further exacerbated by the pandemic, which accelerated the rate of change and had a profound impact on Canada's economy and its labour markets. With large-scale structural reforms underway to help Canada recover from this globalized crisis, important supporting policy initiatives have been adopted to address labour force shortages and to help the workforce adapt under the compounding effects of COVID-19 and the already shifting landscape of the future of work.

Pre-reform situation

Key trends were already shaping Canadian labour markets before the COVID-19 pandemic. For example, new technologies were:

- enabling automation – Statistics Canada research found that, in 2016, 11% of workers were at a high risk of automation job transformation while another 29% were at moderate risk;
- advancing new forms of employment – research by Statistics Canada found that gig work increased from 5.5% in 2005 to 8.2% in 2016.

The COVID-19 pandemic has amplified existing trends that were already shaping the Canadian economy. This includes increased technology adoption, digitalization, greater use of remote workers, and increased activity in the green economy. Taken together, these trends will affect labour markets and will require workers to adapt to new economic conditions and to acquire new skillsets.

Prior to the pandemic, skilled jobs were already forecast to represent the vast majority of new jobs created in the economy. Employment and Social Development Canada estimated that high-skilled jobs would represent 75% of employment growth in Canada between 2019 and 2028. Moreover, high-skilled workers are better prepared and are more likely to seek and have access to opportunities for continuous learning and skill adaptation, while Canadians with lower skills are becoming particularly vulnerable to job market exclusion and do not benefit from the same level of access to reskilling and upskilling opportunities.

In response to existing labour force trends, and to help adult learners overcome barriers to learning and upskilling, some provincial and territorial governments had already established workforce innovation centres prior to the pandemic to drive innovative approaches in employment and training programming. For example, Newfoundland and Labrador established a centre to influence employability, entrepreneurship and dedication to the local workforce through support to "the research, testing and sharing of ideas and models of innovation in workforce development". Other provinces and territories (PTs), and thousands of actors in sectoral groups (e.g. education, training, business, labour organizations), had also taken action to address the changing labour markets.

Policy response and implementation

Future Skills

In 2019, the Government of Canada (GC) launched the Future Skills initiative to help prepare Canadians for the jobs of the future.

Future Skills encourages collaboration and innovation among all actors involved in the skills training and development process in Canada to help transform skills policies and programs to meet the evolving needs of jobseekers, workers and employers. With 50% of funding dedicated to supporting underrepresented and disadvantaged groups, Future Skills also contributes to fostering a diverse and inclusive workforce so everyone has a chance to succeed. Future Skills includes:

- The Future Skills Council: a ministerial advisory body that brings together multi-sectoral leaders to advise on skills and workforce trends and to identify and promote priority areas of pan-Canadian significance for action. In November 2020, the Council released its report, entitled *Canada – A Learning Nation: A Skilled, Agile Workforce Ready to Shape the Future*, to help drive change and to better prepare Canadians for the future of work. The report identifies five priority areas for action including:
    - Helping Canadians make informed choices;
    - Equality of opportunity for lifelong learning;
    - Skills development to support Indigenous self-determination;
    - New and innovative approaches to skills development and validation; and
    - Skills development for sustainable futures.
- The Future Skills Centre: an independent innovation and applied research centre that identifies emerging in-demand skills, and prototypes, tests and evaluates new approaches for skills assessment and development. In April 2021, the Centre had published close to 55 reports, initiated more than 110 innovation projects and had engaged with thousands of stakeholders.

PTs play a key role in skills and training policy and program delivery in Canada. Through discussions with federal, provincial and territorial representatives, recommendations were developed to mitigate duplication, encourage coordination, and to facilitate collaboration with PT efforts.

Skills Boost Initiative

The GC has taken a leading role in helping adults participate in learning and upskilling. For example, in 2017, it introduced Skills Boost, a set of measures to provide enhanced student financial assistance and make better use of Employment Insurance (EI) flexibilities targeted at working or unemployed Canadians looking to return to school to upgrade their skills. A three-year pilot project was launched in the 2018-2019 school year that included two measures:

- Top-up funding of CAD 200 per month (up to CAD 1,600 per school year) to the Canada Student Grant (CSG) for full-time students who have been out of high school for at least ten years; and
- Flexibility to assess a student's eligibility for CSGs based on the current (instead of previous) year's income for applicants whose financial circumstances have changed significantly.

Skills Boost also permitted the use of existing EI authorities that allow claimants to take a course or training program while receiving EI benefits when they continue to meet program requirements. It also included more opportunities for eligible EI claimants to continue receiving benefits while taking a full-time course or training program.

As part of Budget 2021, the GC announced its intention to extend the CAD1,600 Skills Boost top-up to the CSG for full time students who have been out of high school for at least ten years for an additional two school years—until July 2023. This would ensure that benefits to adult students are not interrupted as the Canadian economy shifts to a new post-pandemic reality. Additionally, the Government intends to make the flexibility to use the current year's income instead of the previous year's to determine eligibility for the CSG a permanent change to the program so students with financial needs would not have their previous workforce participation count against them.

Impact

Future Skills aims to ensure Canada's skills and training systems are future-fit, evidence-based, and equitable. This includes ensuring that:

- all Canadians, especially those in underrepresented groups, have access to quality training that addresses the changing nature of work;
- labour market policies and programs are future-focused; and
- actors in skills development collaborate to achieve results of pan-Canadian significance.

The success of Future Skills depends on its ability to engage and collaborate with a multitude of actors in order to share information to influence policy adoption. Since its launch in 2019, over 5,000 stakeholders have been engaged through Future Skills. Working in collaboration with skills development organizations, knowledge gaps have been addressed and over 110 innovative projects have been initiated to begin to identify solutions for challenges jobseekers, workers and employers are facing to adapt within a changing world of work. The Council's advice has informed recent Budget 2021 announcements to ensure responsiveness to jobseekers, workers and employers needs impacted by labour market changes accelerated by global pandemic.

Future Skills Council

The Future Skills Council brings together business, labour, education and training, Indigenous and not-for-profit organizations and governments to identify common priorities and provide advice on emerging skills and workforce trends that cut across sectors, demographics and geography. The Council developed a report that identifies five priority areas to ensure that Canada's skills development and training programs are prepared for the future. Since the release of the report, Council members have been championing action on priorities identified by hosting a series of engagement events and a domestic forum. These events supported an economy-wide and cross-sectoral dialogue to foster collaboration. The Council's report is also being used to inform planning and priority setting by the Future Skills Centre and government policies and programs.

Future Skills Centre

The Future Skills Centre funds research on skills and training topics, including foresight and forecasting, to identify skills that are likely to be in demand in the future. It also funds community-based applied innovation projects, with a particular focus on groups that have been historically underrepresented in the labour force. These research and innovation activities contribute to creating an evidence base for training and skills development for future in-demand skills and for effective training models for different demographics.

Skills Boost Initiative

As of July 31, 2020, approximately 99,500 Canadians have benefited from top-up grants of up to CAD 1,600 per school year as part of Skills Boost. The Canada Student Financial Assistance Program undertook a number of activities to assess the impact of Skills Boost, including surveying clients' satisfaction, two focus groups with recipients, and PT officials who are responsible for the initiative's implementation. The survey results show that the additional grant funding was an important criterion among older students (age 36+) when making the decision to return to school.

The flexibility to assess an applicant's eligibility based on the current (instead of previous) year's income for those whose financial circumstances changed significantly as well as the ability for EI claimants to continue receiving benefits while taking a full-time course or training program was originally designed to help adult learners overcome specific financial barriers to their participation in post-secondary education. However, owing to its usefulness for a broader range of learners, the measures have been expanded and made available for all Canada Student Financial Assistance Program participants.

Challenges and lessons

Future Skills has begun to generate knowledge and insights about the changing nature of work, the shifting demand for skills, and innovative approaches to skills assessment and development. Knowledge mobilization will be key to encourage broader adoption of effective practices through replication and scaling. Concerted efforts are being made through the initiative to support the use of evidence generated to inform policy development, program design and service provision. Engagement and collaboration within and across governments and with stakeholders across diverse sectors in Canada has been undertaken to support putting evidence into practice.

CHINA: INCLUSIVE AND PRUDENTIAL SUPERVISION OF NEW BUSINESS FORMS ANDNEW MODELSTO SUPPORT FLEXIBLE EMPLOYMENT

China's Practices and Their Effectiveness

Introduction

In 2020, a range of new business forms and new models developed rapidly in China, including online learning, e-commerce live streaming, telemedicine, and unmanned economy. It demonstrates the strong vitality and resilience of the economy, and provides an important channel for employmentaswell. Compared with traditional industries, new business forms and new models adopt and include flexible employment to a higher degree. As a result, new occupations are springing up, such as online-hailing distributors, e-commerce anchors, online consultants, ride-hailing drivers, and cloud customer service representatives. These forms of flexible employment stimulate changes in the employment structure of the entire society while diversifying employment.

At the same time, with the boom of the digital economy, various new business forms and new models derived from Internet Plus and Artificial Intelligence Plus have grown rapidly. Leading platform companies have emerged in large numbers. Examples include Didi in sharedmobility services, Meituan in consumerservices, Airbnb in shared accommodation, and Youke Workshop and WeWork in shared workspace.

Dueto the influence of the COVID-19 epidemic, micro, small and medium-sized enterprises have carried out digital transformation. Platform economy, network economy, and non-contact economy have spurred the fast spread of the future of work forms such as flexible work, flexible employment, and co-employment in China. According to the Digital Economy Development in China 2020 published by the China Academy of Information and Communications Technology (CAICT), in 2018, there were 191 million jobs in China's digital economy, accounting for 24.6% of the total annual employment. Growth of employment in new business forms far outpaced the growth of totaldomestic employment during the same period. Among the 38 new occupations recognized by three batches in 2019 and 2020, more than half are related to the platform economy, such as digital manager, artificial intelligence engineer, cloud computing engineer, and e-sports operator.

Pre-reform Situation

In the early stage of development, new business forms and models, which are based onthe next-generation information technology,impacted traditional industries,and people needed time to adapt tonew things. Many new problems have inevitably arisen in the development process, especially the problem of unclear regulatory rules. On the one hand, some areas did not clarify the legality of certain new types of businessesin order to protectthe affected groups in traditional industries.Such business activities were not strictly prohibitedeither for the sake ofreal demands. As a result, these new businessesfell into gray zones, where the rights and interests of employees cannot beguaranteed. A case in point is shared mobility. On the other hand,there is a lack of in-depth understanding of certain new ways of doing business and their consequences,leading to insufficientregulations.Without bottomlines drawn in a timely manner,market competitions and consumer interests may be harmed in some cases, noticeably among platform companies.

Policy Response and Implementation

On July 3, 2017, the Guiding Opinions on Promoting the Development of the Sharing Economy was jointly issued by the National Development and Reform Commission (NDRC), Office of Central Cyberspace Affairs Commission, Ministry of Industry and Information Technology (MIIT), Ministry of Human Resources and Social Security, State Administration of Taxation, State Administration for Market Regulation, and National Bureau of Statistics. In September 2018, the Guiding Opinions on Developing the Digital Economy to Stabilize and Expand Employment jointly issued by NDRC, Ministry of Science and Technology, MIIT, Ministry of Finance, Ministry of Agriculture and Rural Affairs, and the People's Bank of China. In October 2019, the Regulations on Optimizing the Business Environment was published. In July 2020, the Opinions on Supporting Multi-channel Flexible Employment were released by the General Office of the State Council. The general requirements are to determine the methods and standards of supervision for new industries, new business forms, new technologies, and new models in accordance with the principles of encouraging innovation, inclusiveness, and prudence, so as tokeep the bottom lines of safety and quality; to promptly provide guidance or solutions to problems arisen, in order to promote their standardized and healthy development, and strictly forbid illegal acts committed in the name of innovation; and to support and guide various market entities to actively explore new business forms and models in the sharing economy, so as to drive employment, especially creating more flexible employment.To achieve these objectives, the followingreform measures have beentaken.

First, the alignment and coordination between sectors and local governments has beenstrengthened in access policies and industry guidance. Using old supervisionapproaches for new business formswere avoided and industry barriers and geographic restrictions were removed. Administrative licensing, commercial registration, and other matters that restrict the development of the sharing economy were cancelled or standardized to a large extent. Restrictions on market access for resource providers were lifted or further relaxed, and new market access policies were introduced prudently. Second, labor market flexibility requirements have been heightened; labor laws and regulations were improved; labor policies concerning new forms of employment were refined in a timely manner, so as to effectively protect the legitimate rights and interests of workers. Third, measures have been taken to boost the sound development of the digital economy and platform economy.Development of various industriesare beingaccelerated, such as online retailing, mobility service, online learning and training, online health services, and online entertainment.Meanwhile, conditionsare being created for remote working, telecommuting, and part-time employment. Fourth, appropriate regulatory rules for the Internet platform economy and other new business forms and models have beenset. Internet platform companies and intermediary service agencieshave beenencouraged to reduce service fees, franchise management fees, and other fees to create more flexible jobs and attract more laborers.

Policy Impact

Inclusive and prudent supervision principles and institutional arrangements adopted by the Chinese government for new business forms and new models have laid some solid foundation for the development of the Internet platform economy. This has not only driven economic growth and created more flexible jobs, but also made people’s life much more convenient.

Inclusive and prudential supervision has greatly propelled the development of new business forms and new models.According to the Report on the Development of China's Sharing Economy (2021), the sharing economy reached approximately 3.3773 trillion yuan in 2020, a year-on-year growth of about 2.9%. It is estimated that there are approximately 830 million participants in the sharing economy. Among them, service providers number about 84 million and platform enterprise employees about 6.31 million, up 7.7% and 1.3% year-on-year. In the next five years, the average annual growth rate of China's sharing economy will stay above 10%.

Inclusive and prudential supervision has indirectly enhanced the capacity of new business formsand new models to support flexible employment. In the consumer service industry, for example, as of the end of 2020, a total of 9.5 million delivery riders had higher income through Meituan, of which about 2.3 million ridersfrom impoverished areas had been lifted frompoverty. In 2019, millions of stores received orders and earned revenues on Meituan, involving more than 260 service categories. The annual turnover of stores on Meituan reached 100 billion yuan, a year-on-yearincreaseof 22.1%. In the field of transportation, Didi generated 13.6 million jobs across the economy in 2019, including 7.616 million direct jobs such as rider-hailing drivers, designated drivers, and bike operation & maintenance personnel, and 5.979 million indirect jobsfor automobile production, sales, refueling, and maintenance in the upstream and downstream industrial chains. In addition, under the guidance of government agencies for human resources and social security and poverty alleviation, Didi launched pilot projects in 2020, providing nearly 1.7 million flexible employment opportunitiesin five regions. Ride-hailing platforms also contribute to inclusive employment by facilitating female labor participation. 2.374 million female ride-hailing drivers in Chinese market have earned income on Didiplatform.32.4% of these female drivers’ familieshave only one bread earner,indicating they have become the main source of family income.

Inclusive and prudential supervision improves the sustainability of new business forms and new models.Thanks to inclusive and prudential supervision, many leading companies involvingnew business forms and new models have gained certain market advantages based on their increasingly mature main businesses. In order to achieve sustained growth and consolidate competitive edges, they begin to expand, based on their main businesses, upstream and downstream in the industrial chain or horizontally to more other areas, in a bid to build and improve the platform ecosystem. Meanwhile, they continue to improve business strategies and business models while strictly keeping the bottom line of safety and protecting the interests of users, so as to enhance development sustainability. For example, Didi, as a ride-hailing platform,launched group buying service lately, i.e.,after users place an online order, they can either choose in-store pickup or delivery. It is shown that as of December 2020, group buying servicescovered more than 20 cities across the economy, with an average daily order volume exceeding 10 million. In response to the call for appropriate reduction of user service fees by platform companies, Meituan has launched a transparent charging model that reduces the service fees by 0.14 yuan per order on average. Most of the fees collected are used to cover the rigid cost of takeaway delivery services, which directly benefits4 million laborers.

Challenges and Experiences

The inclusive and prudential regulatory framework also faces some challenges while driving flexible employment on a large scale. The first challenge is the protection of labor rights. A large number of Internet employees do not have labor relations with Internet platforms. Instead, the two parties are like market entities that "cooperate for win-win and bear respective risks". To a certain extent, this has broken the rules for protecting the rights and interests of employees under the current labor law. For high-risk occupations such as riders, cleaners, and decorators, in particular, it is difficult to directly identify the responsibilities of employers, and consequently, labor disputes occur from time to time. The second challenge is the monopoly of Internet platforms. In recent years, market resources have accelerated to concentrate on head platforms. This results in an increase of market concentration in the online economy that shapes the de facto monopoly of relevant platforms. Some Internet platforms take advantage of the resource agglomeration effect formed by their relatively monopolistic position to extract benefits from micro and small businesses by raising service rates and other means. In response, the Chinese government is stepping up reforms to promote the healthy development of the Internet platform economy.

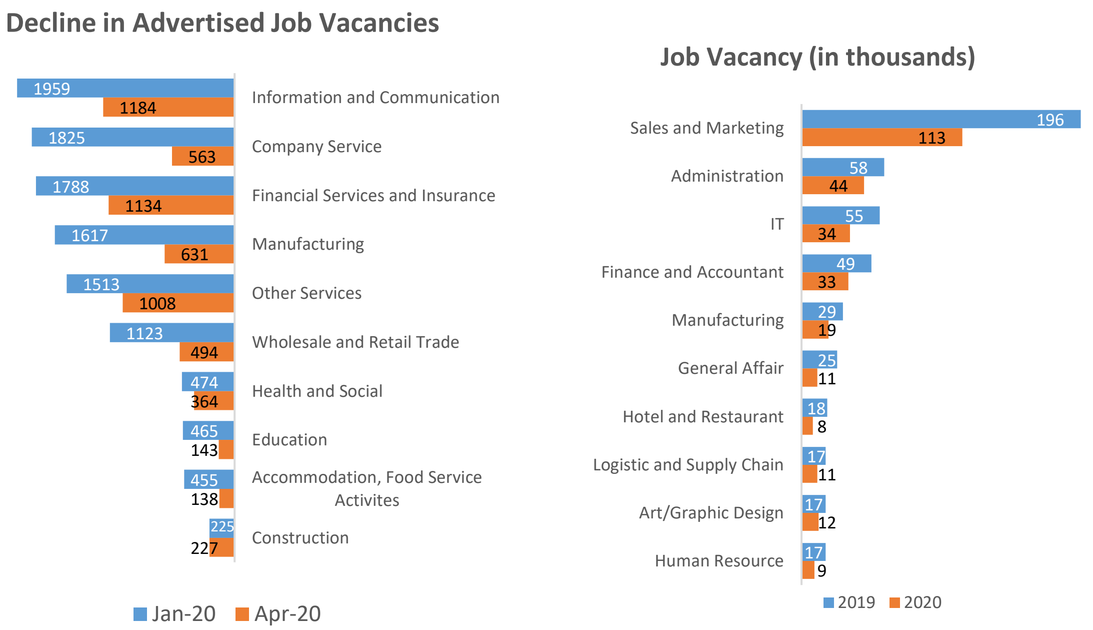
In China's context, the Internet platform economy has driven flexible employment. China's experience indicates that inclusive and prudential regulatory policies are conducive to the vigorous development of new business forms, new models, and new economies, and play a key role in supporting flexible employment for various groups. This provides reference for other economies. First, the government should provide an appropriate and relaxed policy environment for the sustainable and sound development of the platform economy. To stimulate market vitality, policy guidance, support and guarantee should be intensified in line with relevant laws and development trends to address prominent problems facing the platform economy. Innovative regulatory concepts and approaches are also expected. Inclusive and prudential regulatory requirements should be implemented and improved so as to set upa new sound regulatory mechanism that adapts to the characteristics of platform economy. Second, platform companies should be guided and encouraged to give full play to their initiative and autonomyin boosting employment. Besides, platform companiesare obliged to protect the legitimate rights and interests of flexible employees, such as theirsalary and social insurance. The protection of their rights and interestsshould be integrated into the long-term sound development of the platform economy.

INDONESIA: PRE-EMPLOYMENT CARD PROGRAM

Introduction

The COVID-19 pandemic affected Indonesia's economy as well as its labour market, affecting at least 29.12 million working-age population in 2020. As much as 85.5 percent experienced reduced working hours, 8.8 percent became unemployed, 2.6 percent furloughed, and 1.8 percent exited the labour force (Statistics Indonesia, 2020). Unemployment increased by 2.67 million in 2020. Moreover, demand in the labour market weakened with declining job vacancies between January and April 2020, particularly in the services and manufacturing sectors, as shown in Figure 1 (Statistics Indonesia and PMO Kartu Prakerja, 2021). Meanwhile, 2.5 million people enter the labour force every year.

Figure 1. Labour Demand Declined in 2020



Source: Statistics Indonesia and PMO Kartu Prakerja, 2021

Even before the pandemic, the labour market already faced challenges, such as lower worker productivity than other economies (ILO, 2019), resulting in a less competitive labour market. According to Global Competitiveness Index (GCI) 2019, Indonesia ranks 85th out of 141 economies in its labour market competitiveness. Education and skill mismatches occur in Indonesia because the skills profile of the human capital has not evolved with the demands of the labour market (Mugijayani, 2020).

The rapid digital transformation brought about by Industrial Revolution (IR) 4.0, in tandem with the COVID-19 recession, presents a 'double-disruption' scenario for workers (The World Economic Forum, 2020). Such a scenario necessitates radical reskilling and upskilling to ensure the future work and economy.

Pre-Reform Situation

Two main channels of reskilling and upskilling are education and training systems. Despite significant progress in the education system, including improvements in enrolment and increased budget for education, the education level remains low in the Indonesian population. Meanwhile, the formal education system in Indonesia is still continuously improving curriculums to increase graduates' literacy and numeracy skills. Although, it would take time to yield positive results of these efforts in the education system.

Similarly, Vocational Training Centre (VTC) in Indonesia were yet to have adequate tools, funding and coverage areas. As a result, many people may potentially miss the opportunity to get the benefit from the training. The government has realised this issue and plans to improve VTCs, including institutional reform, perception rebranding, contents redesign, and infrastructure revitalisation. While this will take time to bear fruit, labour market demand and rapid technology change outpaced the government effort, thus creates a broader skill gap.

According to the WEF Future of Jobs Report 2020, 15 skills required by 2025 can be categorised into three main groups, i.e., hard skills, soft skills and logical thinking skills. One of the shortcomings of the Indonesian workforce is soft skills, particularly on leadership, initiative, work ethic and discipline. These skills usually can be developed in training. However, the common perception was these training is not essential, placing it as the last priority. Similarly, only 7.7 percent of firms allocate any budget for their employees' education and training (PMO Kartu Prakerja, 2021).

As a result, 78 percent of firms face difficulties finding highly skilled employees and high-level managers (PMO Kartu Prakerja, 2021). This is in line with the World Bank and The Coordinating Ministry of Economic Affairs (2019) finding that Indonesia experiences a skills shortage, particularly for jobs related to management, technology, data analysis, graphic design, finance, agribusiness, and work safety.

Policy Response and Implementation

The Government of Indonesia (GoI) recently launched the Pre-Employment Program (hereafter Program Kartu Prakerja) in February 2020. The program is expected to complement and fill the gaps in education and VTCs to meet future work demands. The program aims are (1) to develop workforce competence, (2) to increase workforce productivity and competitiveness, and (3) to develop entrepreneurship, as stated in Government Regulation 76/2020 (revising Government Regulation 36/2020).

The Program also serve as quasi-social assistance program since the beginning of the global Pandemic in March 2020. It includes cash transfer in addition to training for beneficiaries after they complete the training. The modules also being modified. All registration, training and evaluation processes are conducted online, and incentive was paid through an e-wallet or bank account.

Program Kartu Prakerja is open to all Indonesian citizens aged 18 years and over. It is intended not only for job seekers, new graduates, or those currently unemployed, but is also open to those currently employed and entrepreneurs who are not currently attending formal education, not receiving other government assistance, and are not members of the military, civil servants or other government-related workers. The benefits are as indicated in Table 1.

Table 1. Total benefit	
Training assistance	IDR 600,000 (USD 42)
Post-training incentive IDR 600,000 x 4 months	IDR 2.4 million (USD 169)
Incentive for evaluation surveys IDR 50,000 x 3 surveys	IDR 150,000 (USD 10)
Total	**IDR 3.55 million (USD 249)**

Source: PMO Kartu Prakerja, 2021

Program Kartu Prakerja is implemented by the Project Management Officer (PMO) under the Job Creation Committee (Komite Cipta Kerja). The Committee is directed by the Coordinating Ministry for Economic Affairs and comprises 14 ministries and other government institutions. The program's ecosystem includes the PMO, digital platforms, training providers, payment partners, education institutions, government institutions, and job portals. In 2021, more than 2,000 courses from 196 training providers can be accessed through seven digital platforms.

The Program offers flexibility for both beneficiaries and training provider. The beneficiaries can choose their training programs according to their interests, talents, and needs to gain skills as prospective workers or become entrepreneurs. Similarly, training providers can offer any training courses that meet the criteria determined by Program Kartu Prakerja. The courses are curated based on their interactivity, training module structure, training quality, and relevance. After completing the training, participants may provide feedback, testimony, and rating on the website that the general public can access.

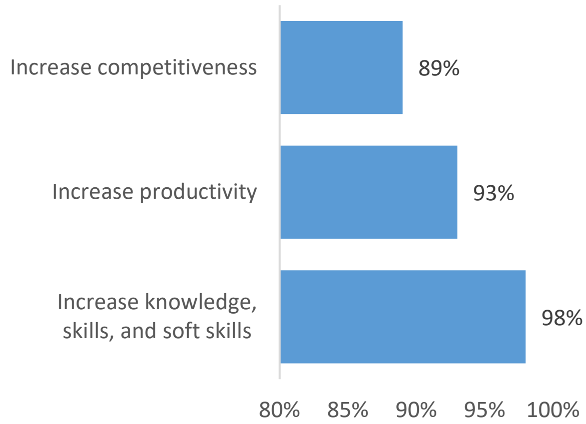
By the end of 2020, 5.5 million beneficiaries from 514 cities/districts have enrolled in Program Kartu Prakerja. 82 percent of the beneficiaries were unemployed, 78 percent young (18–35years old), 84 percent have not had previous training, have relatively low education and low income. Monitoring and evaluation are conducted by requesting beneficiaries to fill a paid survey in a month, three months, and six months after completing the training.

Impact

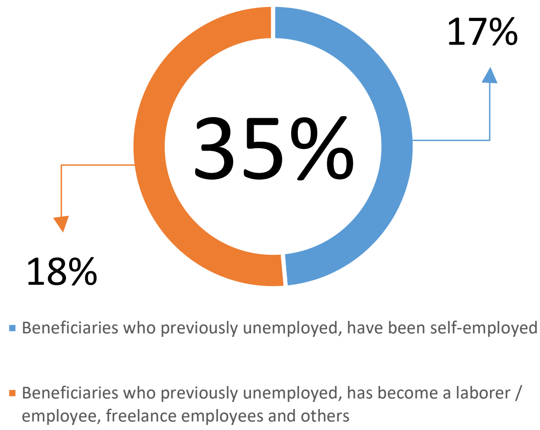
Although it is relatively new, the Program has gained a significant impact in less than a year since it was incepted. The Program has recently become the most popular government program from people perspectives. Kartu Prakerja PMO Report 2020 and its evaluation surveys indicate that the quality of training is deemed good with an average rating of 4.93 out of 5 based on the participants' assessment. Only less than one percent of courses were rated below 4.

Program evaluation shows that most beneficiaries (88.9 percent) feel that the program develops their competency, productivity and competitiveness. Most agreed that the program improves their knowledge, soft skills, work efficiency and provides them with new skills. Most also asserted that they would enclose certificates they obtained from this program in their job applications (90 percent). At the time of the survey, 35 percent of unemployed participants enrolled in the Program have found a new job (Figure 2).

Figure 2. Results of Program Kartu Prakerja Evaluation



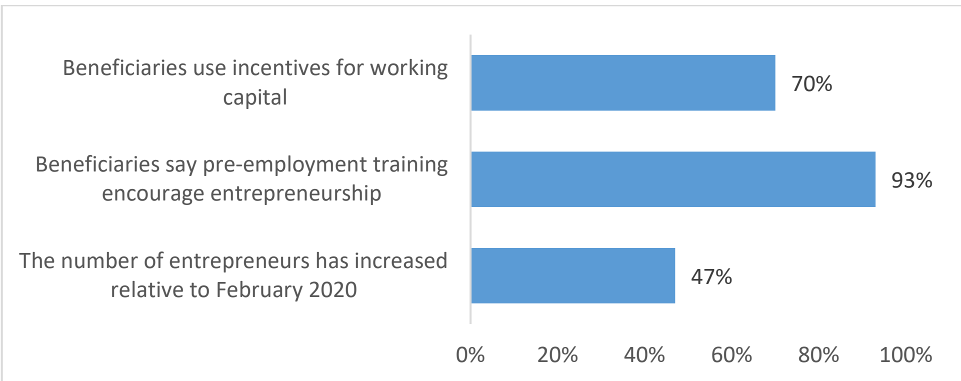
Source: PMO Kartu Prakerja, 2021



That finding aligns with Statistics Indonesia's finding that 88.9 percent of the beneficiaries consider their skills improved after completing Program Kartu Prakerja training. Additionally, the conditional cash transfer was deemed beneficial assistance in the middle of a pandemic. Statistics Indonesia also identified other perceived benefits, including obtaining preferred training; cash assistance; waiving training cost commonly borne by firms or workers; lowering information cost of training; minimizing skill mismatches; complementing formal education and providing added value for both beneficiaries and the private sector (The Labour Force Survey, 2020).

Secondly, this program spurs entrepreneurship (Figure 3); the number of entrepreneurs increased 47 percent compared to February 2020, before the program was implemented. Beneficiaries reported that the program provided knowledge and skills, particularly on starting and growing businesses, marketing products, obtaining technical production skills, and financial management. Additionally, 70 percent of beneficiaries used their incentives for working capital.

Figure 3. Program Kartu Prakerja Spurs Entrepreneurship



Source: PMO Kartu Prakerja, 2021

Besides improving competency, productivity, and competitiveness—the program's main aims—it also enhances other aspects, such as accelerating financial inclusion, encouraging online learning, and gender and social inclusion.

The Program also improves other aspects, such as accelerating financial inclusion, promoting online learning, and gender and social inclusion. In terms of financial inclusion, 25% of beneficiaries did not have a bank account nor e-wallet. Yet, the Program requires all trainees to have one since the cash transfers and incentives are transferred to their bank account or e-wallet (Figure 4).

Figure 4. Program Kartu Prakerja Accelerates Financial Inclusion

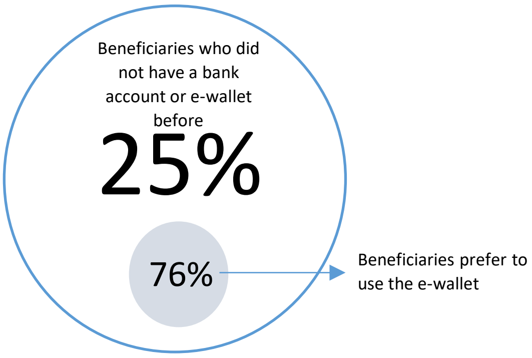


Figure 5. Program Kartu Prakerja Encourages Online Study Habits

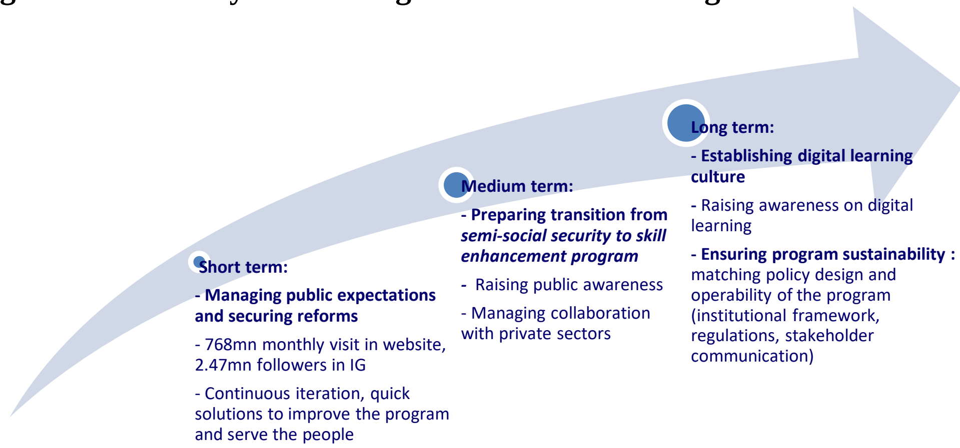
Source: PMO Kartu Prakerja, 2021

The program has also spurred online learning and training (Figure 5). 92 percent of beneficiaries had not used digital learning before. After finishing this program, 76 percent of beneficiaries are motivated to subscribe to online training in the future and are even willing to pay out-of-pocket. This reverses the previous common notion of training being at the bottom of priorities among beneficiaries.

This program also considers gender and social inclusion with 45 percent women beneficiaries, 2 percent elderly (more than 60 years old), 5 percent disabled people, 2 percent from disadvantaged regions, 2.1 percent migrant workers, and 9 percent from low education.

Challenges and lessons

Figure 6. Summary of Challenges and Lessons of Program Kartu Prakerja



Source: The Authors

The Pre-Employment Card Program is relatively new. Thus, there is plenty of room for improvement. In the short term, managing public expectations and improving the quality of service are the main goals. The website has 768 million monthly unique visitors and 3.1 million followers on Instagram. There will be a continuous effort to improve the Program to find the most suitable implementation mechanism. The program will continue to go through iterations and trial-and-error in improving its implementation model for the future. With such high public interest, the program must be responsive to public feedback and find solutions to problems as they arise—an inevitable and necessary process in a cycle of continuous improvement to serve the people.

In the medium term, the main challenges are: **preparing to transition from quasi-social security to a good skill enhancement program** as the pandemic abates; raising public awareness about the core of the program; and managing collaboration with the private sector ecosystem. In the long term, the main challenges are **establishing a digital learning culture** by raising awareness about digital learning; and **ensuring program sustainability**, particularly matching policy design and inter-operability of the program, including institutional framework, regulations, and stakeholder engagement.

Although the Program was just launched in 2020, some lessons learned as follows: (i) institutional framework. The Program is a collaboration of 14 ministries and private sectors. The Program has developed a new form of partnership between the government and private sectors that require sharing responsibilities; (ii) Promotes fair competition. The Program encourages service providers to deliver excellent services by implementing a curation system rather than a procurement mechanism. Beneficiaries may also choose their preferred digital platforms, training providers, courses, and payment system and provide feedback and reviews through a rating and evaluation survey

MALAYSIA: ENHANCING SOCIAL PROTECTION IN MALAYSIA

Introduction

The Employment Insurance System (EIS) was established on 1st January 2018 to provide income replacement as a safety net for workers (Insured Persons) who have lost their jobs due to retrenchment or other similar circumstances. It provides financial buffer up to 6 months for those who in between jobs, allowing them some peace of mind while looking for their next source of employment.

Insured Persons (IPs) who apply to SOCSO will receive re-employment assistance from Employment Services Officers (ESO). The entitlement for loss of employment benefit covers these situations below:

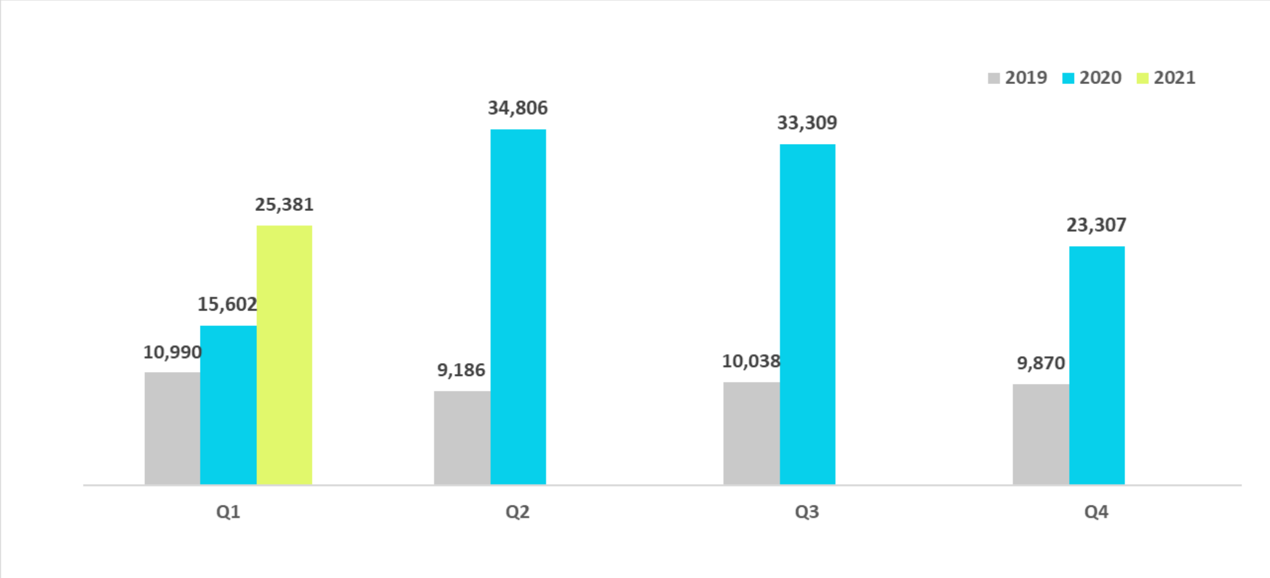
- Normal retrenchment and redundancy
- VSS/MSS (Voluntary/Mutual Separation Scheme)
- Closure of the company due to natural disasters
- Bankruptcy or closure of the company
- Constructive dismissal
- Resignation due to sexual harassment or threats made in the workplace
- Resignation after being ordered to perform dangerous duties that are not within the job scope

EIS does not cover foreign domestic workers, the self-employed, civil servants, and workers in local authorities and statutory bodies. As of April 2021, there were 0.4 million registered active employers with 6.3 million workers who have contributed at least once for the past 12 months.

Pre-reform situation

Due to Covid-19, GDP growth in 2020 is projected to range between -2% to 0.5% - a sharp drop from 4.3% in 2019. Although growth is expected to slowly pick up towards the end of the year in line with the projected recovery of the global economy, a full rebound will likely take years despite decisive action from the government. With an economy that was already slowing before Covid-19 hit, Malaysia's problems are being compounded by the reality that thousands of businesses will close due to the Movement Control Order (MCO), which caused demand for many goods and services to drop dramatically. As a net exporter of goods that is closely linked to China, its largest trading partner, it is also especially vulnerable to any negative developments in the global and Chinese economies.

Diagram 1: Loss of Employment by Quarter, 2019-2021



The job losses in year 2020 have always been higher in comparison to 2019 due to Covid-19 pandemic that causes economic disruption (ie implementation of movement control order). Meanwhile, job losses increased by 62.5% year-on-year in Q1 2021 (Diagram 1).

Policy response and implementation

In response to sudden spike in loss of employment and economic downturn, the Malaysian government under the PRIHATIN Economic Stimulus Package has designed the temporary Wage Subsidy Programme (WSP) and Employment Retention Programme (ERP) to save jobs and help firms to keep as many employees as possible on the payroll. Temporary WSP has also been adopted in many outbreak-affected economies using different terminologies such as Job Support Scheme in Singapore, Temporary Emergency Bridging Measure in the Netherlands and Emergency Wage Subsidy in Canada. WSP 1.0 was launched on April 1, 2020, covering a 6-month financial assistance, benefiting for more than 2.7 million workers and 331,950 employers. The WSP was then extended for another 3 months under WSP 2.0, benefiting 821,697 employees and 81,921 employers.

Hiring Incentives is another ongoing effort from the government to promote job creation and encourage employers to hire new workers. For Hiring Incentive 1.0, a total of 128,779 workers and 15,721 employers received benefits. Meanwhile, for Hiring Incentives 2.0, as of 21st May 2021, a total of 79,313 workers and 9,893 employers received benefit respectively.

Summary

In conclusion, the list of initiatives introduced by the Government is a piece of welcoming good news especially in addressing the employment impact of Covid-19 pandemic. Displaced workers and jobs aspirants can find ways to make ends meet during the COVID-19 crisis. Potentially, there is a silver lining in today's job market.

MEXICO

Introduction

Teleworking has been one of the most relevant topics within the agenda of the future of work, this mode of remote work represents an opportunity to support the improvement of the balance between professional and personal life, spend fewer hours on transportation and more hours with the family. It also provides major autonomy at work that, in certain cases, it allows increased productivity of employees and companies.

Additionally, teleworking may offer a possible work for women, since they are who spend more time taking care of their children and house working. However, it also has significant challenges, if very clear limits are not established between work and personal life, unpaid hours of work and stress could increase, and with less supervision, and productivity might fall.

This teleworking mode has earned popularity worldwide, because of big technological advances, but recently given the COVID-19 pandemic, which restricted free mobility of people and forced them to confinement, boosting that a significant number of companies and workers operated under this new work mode.

At the end of 2014, Mexico had 2.6 million teleworkers, which meant that it was one of the labor markets with the highest participation in teleworking in Latin America after Brazil. However, in comparison with the whole labor force in Mexico, teleworkers barely reached 5%.

With the pandemic and the arrive of mobility restrictions, the labor market changed in a very important way, the National Survey of Occupation and Employment elaborated by INEGI, highlights that the main results in the fourth quarter in 2020, compared to the same period in 2019, the results framed in the effects of COVID-19 were (INEGI, 2021):

- A decrease of 1.7 million people in the Economically Active Population (EAP), from 57.6 million to 55.9 million.
- The employed population was 53.3 million people, meaning a decrease of 2.4 million.
- Employed in tertiary activities decreased1.7 million, the greatest impact being in the restaurant and lodging services sector.
- The underemployed population increased by 3.8 million, from 4.3 to 8.1 million.
- The unemployment rate increased 1.2%, from 3.4% to 4.6% at a domestic level.

In this context, the Mexican labor market transited from 2.6 million teleworkers before the crisis pandemic to 12 million teleworkers. This figure represents 22% of workers in Mexico during the pandemic.

Pre-reform situation

One of the main problems that caused the structural reform to the Federal Labor Law were the effects that the COVID-19 pandemic imposed to the Mexican labor market, since a great transition took place, going from only 2.6 to 12 million teleworkers. It was urgent to regulate this work modality under the Federal Labor Law.

Therefore, and as part of the actions and policies taken, prior to achieving a reform on this topic, the Secretariat of Labor and Social Welfare (STPS):

- From the declaration of a health emergency caused by COVID-19 by the General Health Council, where essential and non-essential activities in the economy were defined, the STPS carried out special inspections to monitor compliance with the suspension of work activities, for those workplaces that were not of essential activities.
- Promoted the “Together for Work initiative” that built a web microsite (STPS, 2020), where workers, employers and the public in general find a series of tools, guides, dissemination material, training courses and practical advice to protect and strengthen the labor market, under the COVID-19 emergency.
- It published an action guide for workplaces facing the COVID-19 crisis, so that they can adopt safety and health measures at work and promote remote work modalities.
- Jointly, with the Federal Attorney for the Defense of Labor (PROFEDET), made available the Digital Office for Worker Assistance COVID-19, a tool to help people who have been fired or temporarily suspended without pay due of the COVID-19, in order for them to present a report of their labor affectations, and the authority will follow up, providing, where appropriate, advisory services, conciliation and legal representation.

Policy response and implementation

The action undertaken to address these problems was an amendment to the Federal Labor Law. Article 311 was reformed and Chapter XII BIS on Teleworking was included. The discussions around this reform began within the Congress of the Union in 2019, and was approved on January 12, 2021.

The objective of this reform is to take advantage of the competitive benefits offered by labor digitization, such as increased productivity and a better balance between personal and work life, focusing on gender to guarantee equal opportunities and working conditions for men and women.

This reform is directed to those labor relations developed in more than 40% of the workhours by teleworking.

The expected benefits from this regulation are that, from now on, telework conditions must be established in a written labor contract, agreed by the parties and containing the principle of reversibility, which means the possibility that it may be requested to return to a face-to-face modality.

Additionally, the benefits expected from this reform are the recognition of workers' rights to: disconnect at the end of the working day; access mandatory social security schemes; receive the necessary equipment for the development of their work; a proportional payment for the cost of electricity and internet services; as well as training to guarantee the adaptation, learning and proper use of technologies, in addition to the right to freedom of association and collective bargaining.

The reform also regulates obligations for workers and employers. Workers must take care of the work equipment and materials; Comply with provisions on safety and health at work, as well as with the supervising mechanisms for their activities; while employers must provide social security, safeguard workers' personal data and promote communication mechanisms for freedom of association and collective bargaining procedures.

Impact

Although it is still too early to talk about the achievements and results of a reform to the Federal Labor Law with only four months of implementation, it is evident that this legal reform gave, to more than 12 million of teleworking Mexican workers during pandemic, the certainty and security about their rights and obligations. Similarly, this legal reform also gave employers certainty about their obligations and rights in teleworking.

One of the important challenges of this labor reform is that 63% of Mexican companies consider continuing with teleworking, once the contingency is passed. In fact, 40% of companies estimate that between 26 and 50% of their workforce will remain in teleworking (Forbes, 2021).

This shows how changes in the world of work have been accelerated and how teleworking will be an option for more and more Mexican employers and workers.

Challenges and lessons

A challenge in the implementation of this teleworking reform is the development of an Official Mexican Norm, related to the special health and safety conditions, developed under the teleworking mode, which must be issued after 18 months from the entry into force of the reforms, this is the next July, 2022.

Additionally, is also an important challenge the special attributions and duties assigned to the Labor Inspection to verify compliance with the obligations of teleworking and employer’s compliance to keep a record of the supplies delivered to teleworkers, as well as to ensure that the wages are not lower than those paid to the face-to-face workers, with same or similar functions.

NEW ZEALAND: JUST TRANSITIONS AND THE FUTURE OF WORK

Introduction

New Zealand is moving towards a low-emissions economy. In 2016, New Zealand ratified the Paris Agreement and made international commitments to support the global response to the threat of climate change. Under this agreement, New Zealand needs to reduce emissions to 30 per cent below 2005 levels by 2030.

In 2018 the Government banned new permits for offshore oil and gas exploration in recognition of the need to transition to a low-emission economy, through measures including reducing fossil fuel consumption and lowering emissions from electricity generation. New Zealand's two largest contributing sectors for emissions are agriculture and energy (including transport). Energy comes from a range of sources including bioenergy, petroleum, coal, natural gas, wind, solar, hydro and geothermal. Most agricultural emissions are methane from dairy cows.

Taranaki, a coastal region on the western side of the North Island, has the second highest emissions per capita. The oil and gas industry are concentrated in the Taranaki region, with a number of offshore wells. It has a large dairy industry on the fertile volcanic plains around Mt Taranaki.

Pre-reform situation

The reform to limit oil and gas exploration was preceded by studies that identified the major structural reforms needed to transition to a low-emissions economy. The Productivity Commission[2] identified the three shifts required: transitioning from fossil fuels to electricity and other low-emission fuels, substantial afforestation and changes to the structure and mode of agricultural production. At the same time, the Climate Change Committee recommended a series of actions the Government could take to reduce greenhouse gas emissions in agriculture and electricity, including using electricity to reduce transport and process heat emissions.[3]

Both reports highlighted the complexity of the structural changes involved in reducing emissions. They noted that the transition will be long and involve change and uncertainty, and that handling the change well would make the policies more beneficial and less disruptive. In addition, they acknowledged that assistance might be needed to support households through the transition.

Policy response and implementation

The ban on granting new permits for offshore oil and gas exploration did not affect existing permits for exploration and extraction, and so the reduction in oil and gas activity will occur over several years as existing permits run out.

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[2] Productivity Commission (2018) "Low Emissions Economy. Final Report". Wellington, Productivity Commission. Available from www.productivity.govt.nz/low-emissions

[3] https://www.climatecommission.govt.nz/get-involved/our-advice-and-evidence/

The ban is likely to cause a significant blow to Taranaki's economy. The investment landscape has been altered, and a decline in employment is starting to be felt in the oil and gas sector and associated engineering supply chains. Over time, the ban is expected to result in a decline in employment in the oil and gas sector, intensifying international trends, and to have a significant impact on the wider labour market of Taranaki and more widely, New Zealand.

The New Zealand Institute of Economic Research (NZIER)[4] predicts that job losses within the sector and within Taranaki may be severe. Estimates of the number of jobs provided by the sector vary, but a loss of approximately 3,107 jobs for New Zealand was estimated in the medium scenario. The impact is not limited to the oil and gas sector, and is likely to spill-over into other sectors. As employment in the oil and gas industry falls, labour will likely re-allocate within Taranaki by moving towards non-oil and gas industries such as agriculture, food processing, and business services.

The Government has developed a Just Transitions Partnership with Taranaki to help plan and manage the impacts of the transition by working together with the community's people, places, and business sectors to identify what income, labour, and economic development support is required. The Partnership comprises local government, central government, Māori, unions, businesses, community, and education. The Just Transitions Partnerships team represents central government in this multi-stakeholder partnership, and operates as an advisor, broker, and a coach. The objectives are to:

- build an understanding of the potential pathways to transform the regional economy;
- identify, create and support new opportunities, new jobs, new skills and new investments that will emerge from the transition; and
- better understand how the transition might impact on different communities, regions or sectors and make choices about how to manage these impacts in a just and inclusive way.

Impact

The Just Transitions Partnership involved the co-development of the Taranaki 2050 Roadmap through in-depth community engagement. The Taranaki Transition Lead Group facilitated a large-scale co-design process that involved 29 workshops around the region, and a total of over 70,000 engagements with the local community. Material from this process was used to develop the Roadmap, which was published in August 2019. The Roadmap is more comprehensive, co-ordinated and longer term than previous plans in the region. It sets out an inter-generational vision for the region to achieve an equitable, productive and sustainable low-emissions, resilient economy in which no-one across Taranaki's communities will be left behind.

The ambition of the Taranaki 2050 Roadmap is to lead the way for New Zealand in transitioning to a low-emissions economy with a strong, sustainable environment, education options that move and flex with a changing world, attractive jobs providing a similar lifestyle to the one enjoyed now, shared by all, in a region that looks out for and cares for itself and its people. It builds on the region's strengths, such as energy and engineering, food and agriculture, and identifies new areas where Taranaki has the potential to lead New Zealand, with twelve transition pathway action plans with tangible actions achieve the region's vision for 2050. They include sectors such as the arts, infrastructure and transport, tourism, energy,

[4] NZIER-Economic-impact-of-ending-new-oil-and-gas-exploration-permits-outside-onshore-Taranaki-February-2019.pdf (energyresources.org.nz)

and food and fibre which will lead to new jobs, as well as a specific People and Talent action plan.

The People and Talent transition pathway reflects planning to have the skills needed for the 'future of work' and the future-focused industries that will help make the region successful. Key areas of focus are:

- Integrating the overall people and talent system with a clear and united direction and better coordination to deliver the future skills the region will need.
- Developing skills and employment pathways for the vulnerable and marginalised people, including reducing education barriers so that all learners can fully participate in education and prioritising Māori–led initiatives.
- Supporting and empowering workers to develop new skills and find new employment during economic transition.
- Attracting and retaining talent and developing higher skills, particularly in future-focused areas.

COVID-19 has reinforced the relevance of the Taranaki 2050 Roadmap and its transition pathways in developing a long-term strategy for recovering from economic shocks. Initial estimates of the impact of COVID-19 predicted severe negative effects from the pandemic.[5] They forecasted that employment in Taranaki could fall by around 5,500 by March 2021 and that 60% of these jobs lost would be in the sectors of accommodation and food services, retail and wholesale trade, transport/postal/warehousing, and construction. Nearly 50% of the losses would be in lower-skilled occupations.

On 25 March 2020, New Zealand moved into a strict lockdown in response to the spread of the coronavirus. The border was closed and all businesses and other workplaces except essential services were closed, including most education and childcare facilities. Personal movement was limited and people were required to maintain social distancing outside their household or family 'bubble'. The lockdown was gradually eased from May, but the border remains closed.

The lockdown represented an unprecedented and sudden shock to the New Zealand labour market. Survey results indicated that unemployment doubled from 5.2% to 10.5% by week 3 of lockdown. Close to 44% of individuals lived in a household where members experienced job and/or income loss. Some groups were harder hit, particularly those with lower incomes.[6] Working and learning from home highlighted the digital divide, with concerns about the education gap being widened.

Overall, the labour market impact has been considerably better than was initially anticipated early in 2020, with a lower peak in unemployment and a faster recovery in labour market participation. The impact has varied by region and is affected by how much its predominant sector is exposed to tradable sectors and global value chains. Rural regions, such as Taranaki, that are heavily reliant on agriculture, are likely to see some employment growth in 2021.[7]

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[5] Infometrics (2020) "Economic Impacts of COVID-19 on the Taranaki Economy – Early Estimates". ril 2020, p.16

[6] Michael Fletcher, Kate C. Prickett and Simon Chapple (2021) "Immediate employment and income impacts of Covid-19 in New Zealand: evidence from a survey conducted during the Alert Level 4 lockdown." New Zealand Economic Papers, DOI: 10.1080/00779954.2020.1870537

[7] MBIE (2021) "Estimating Labour Market Activity post COVID-19". Analytical Report, April, Wellington, Ministry of Business, Innovation and Employment. https://www.mbie.govt.nz/dmsdocument/13964-estimating-labour-market-activity-post-covid-19-april-2021

Tourism-related sectors are likely to continue to experience lower than pre-COVID-19 demand and employment levels.

Immediate policy interventions to support businesses and maintain employment sustained consumer spending, and appear to have been relatively successful in the short term. There is less certainty about the impact once these supports are withdrawn. The full impact is yet to play out and uncertainty remains, particularly with the emergence of new variants of the virus and resurgence in some economies. A weaker global economic outlook, supply chain bottlenecks, and travel and border restrictions will continue to pose further challenges.

Challenges and lessons

The global climate is changing, which is bringing with it an increased frequency of floods, droughts, and extreme weather events, and considerable challenges for existing labour markets. Significant action will be needed to adapt to these impacts, and widespread shifts across the economy are required. This transformation will impact some regions and communities more than others, and action to mitigate negative impacts and act on opportunities through the transition is vital for the wellbeing of people and communities, and for maintaining the social licence needed to undertake long-term transformation of the economy.

Technology is also advancing rapidly, which brings with it opportunities to develop and adopt new technologies and job opportunities as well as associated risks that will need to be managed. Additionally, the global population is growing and aging, urbanisation and ethnic diversity is increasing in New Zealand, and the geopolitical environment is changing.

The experience in Taranaki highlighted the importance of building local capability and capacity so that the community can lead the transition. Encouraging a broad range of stakeholder participation in decisions was also critical, for getting support and buy-in from local communities and ensuring a just transition for all.

Strong system leadership, effective coordination, and shared expectations and objectives across the government agencies and their levers were essential to ensuring a cohesive response. Having the same team to give both Just Transitions advice in central government and on-the-ground implementation in Taranaki has allowed for a more agile responsiveness to partnership needs and better informed advice to government ministers on transition planning and preparation. The process required high quality strategic planning, building on existing work and drawing on an evidence-based diagnosis, and taking a system-wide view.

However, it is important to emphasise how resource intensive this approach is. Managing the expectations around what the government can resource and support is an ongoing challenge for the Just Transitions Partnerships Unit. As the focus of the Just Transitions Partnership in Taranaki moves from planning to implementation, it will be increasingly important to connect actions with quality economic development and investment advice.

Regional transitions are inherently complex. Each of the people, places, sectors, and businesses that make up the regional community face their own unique circumstances which require a tailored transition pathway. This complexity is further compounded by the mix of different institutions and systems and the various economic, social and environmental factors at play within the region. In the face of complexity, the Just Transition Partnership approach provides a way to holistically manage the social, environmental and economic impacts from an economic shock. It is a flexible and scalable way for the central Government to provide expertise and partner with a community in order to positively manage structural change and adjust to the future with an agile labour market resilient to future shocks.

THE PHILIPPINES

Introduction

Prior to the COVID-19 pandemic, the Philippines has been experiencing strong economic growth performance averaging 6.6 percent from 2016 to 2020. The economy also had low and stable inflation at 3 percent from 2016 to 2019. It has also achieved the highest revenue-to-Gross Domestic Product (GDP) of 16.1 percent, and the lowest debt-to GDP ratio of 39.6 percent in 2019. It has received its highest ever credit rating ranging from BBB+ to A. The Philippines also had the lowest poverty incidence at 16.7 percent as of 2018. In January 2020, the Philippines also had the lowest unemployment and underemployment rates at 5.3 and 14.8 percent, respectively.

When the economy imposed restriction on mobility due to the pandemic in the 2nd quarter of 2020, the underemployment and unemployment rose to 18.9 percent and 17.7 percent, respectively. However, when the Philippines slowly eased the restrictions, unemployment slowly decreased but remains high compared to pre-COVID levels. In March 2021, unemployment rate was the lowest since April 2020 at 7.1 percent. The number of unemployed Filipinos 15 years and over in March 2021 was estimated at 3.44 million, a reduction of about 747 thousand unemployed persons from February 2021. Among men and women, labor force participation rate (LFPR) remained higher for men at 76.8 percent than for women at 53.1 percent in March 2021.[8] The LFPR among men and women steadily increased since January 2021. Men reported higher underemployment rate (20.3%) than women (15.1%) in February 2021.[9]

Rapidly changing technology, automation, and digitalization cause labor market disruptions. The former substitutes or complements labor, and/or creates new jobs for the labor market in the Philippines. There is a net positive effect of automation on employment as firms that deployed partial or full automation in their operations were more likely to hire more workers (vs counterpart firms in the economy). Consequently, net job creation is only significant among the manufacturing firms, while net job losses are highly probable in firms in the service industry.

The Philippines currently has a pool of medium- and high-skilled workers who provide opportunity and flexibility to face full-scale automation. However, skills for the future workforce still needs to be ensured through education and skills development in formal and non-formal settings, and in the workplace.

A. CASE #1: THE PHILIPPINE GREEN JOBS ACT (PGJA) OF 2016 (REPUBLIC ACT [RA] NO. 10771)

(Theme C: Structural reforms / supporting policies [including social protection systems] protecting vulnerable groups)

Pre-reform situation

[8] Philippine Statistics Authority (PSA). (2021, May 6). Employment Situation in March 2021. Retrieved from

[9] PSA. (2021, March 30). Employment Situation in February 2021 [Press release]. Retrieved from https://psa.gov.ph/statistics/survey/labor-and-employment/labor-force-survey/title/Employment%20Situation%20in%20February%202021

The agriculture sector accounts for more than a quarter of the total employed persons, despite its falling share of the total gross value added. To support the skills development under this sector, the National Technical Education and Skills Development Plan (NTESDP) 2018-2022 identified the agriculture, fisheries and forestry in its priority sectors. Data on average real daily basic pay reveal that workers in the services sector are paid more than twice as much as those in agriculture. This leads to workers shifting from agriculture to other sectors.

Net employment in the Philippine agriculture, hunting, and forestry (AHF) sector has been on a downtrend since 2012 as more workers have moved out of the sector than workers staying in or moving into agriculture. Agricultural employment loss was observed in 15 out of the 17 regions in the economy. It has resulted in labor shortage and a corresponding rise in wage and non-wage benefits across areas. An aging agricultural workforce with lower educational attainment accompanies this loss. Between 2010 and 2017, the average age of agricultural workers increased to 40 years old from 38 years old.

Agricultural work was often substituted for jobs that do not necessarily pay high wages (e.g., *habal-habal* driver, salesperson, food attendant, *kasambahay*/household helper, and construction worker, among others) but they offer a relatively stable income stream, non-wage benefits, and better working conditions. Younger workers have shown no interest in farming and most of them move out of agriculture upon reaching high school. Moreover, the increased availability and declining job search costs of non-agricultural jobs provided a major pull factor in the out-migration of farmworkers.

Policy response and implementation

The passage of the Green Jobs Act in 2016 is a major structural/policy reform for labor and employment in economic sectors, including the agriculture, natural resources and environment (ANRE) sector. The law provides a pioneering approach in institutionalizing labor and employment dimensions in the policy framework for addressing climate change issues. It also mandates the development of human capital to enable and sustain the transition to a greener economy.

The law also adopts the *Just Transition Framework*, which ensures skills development, and social dialogue, among others, while economies undergo a paradigm shift towards sustainable, green, and low carbon development.

The National Green Jobs Human Resource Development Plan (NGJHRDP) has already been completed. This will support the economy’s transition into a green economy by identifying the skills, competencies, and gaps in the various sectors and developing appropriate strategies to improve the economy’s current skills and training system.

Agencies are already implementing measures to support green skills development. In particular, TESDA’s role is focused on the formulation of the necessary training regulations for the implementation of skills training, program registration and assessment and certification in support of the requirements for skilled labor of the green economy.

Impact

TESDA has made strides along the Greening the Curriculum and Training aspect, where qualifications with "green" competency are already available including that of agriculture and fishery, among others. This will help trainees in this sector to be equipped with competencies related in addressing climate change and in knowledge and skills that can provide more value added income sources.

Around 33 out of 246 training regulations (TRs) are being greened, including Pest Management, Photovoltaic Technician, Hydroponics, Vertical Gardening, Carbon Emissions Technician and Seaweed Farming. As of 2018, there are only 20 TRs with green competencies, which is 7.5% of all the TRs in TESDA.

While the impact of the PGJA of 2016 have yet to be studied, Abrigo (2018) anticipates that the Gross Domestic Product (GDP) of the Philippines will grow by 5.3 percent on the average, and the contribution of the green sub-sector is estimated at an average Gross Value Added (GVA) of Php 2.6 Trillion between 2016 and 2030[10]. Further, labor demand in the green subsector is expected to grow 2.7%, slightly higher than the 2.1% growth for the conventional subsector.

Challenges and Lessons

As mentioned, there remains a need to fast track adoption and implementation of (a) green jobs assessment and certification criteria/guidelines, (b) green jobs human resource development plan, and (c) tools to monitor and account green jobs.

These will help in providing empirical evidence on policy analysis and recommendations. Multi-level partnerships with local and International organizations for funding, technology transfer, capacity building in this area is encouraged as well.

B. CASE #2: 105-DAY EXPANDED MATERNITY LEAVE LAW (RA NO. 11210)

(Theme C: Structural reforms / supporting policies [including social protection systems] protecting vulnerable groups)

Pre-reform situation

Women opting out of the workforce contributed to the overall decline in the labor force participation rate. The participation rate among women declined from 47.8 percent in October 2017 to 46.4 percent in October 2018.[11]

Marriage and childbearing are associated with a significant decline in the female labor force participation, especially for the 25 to 29-year-old cohort. The single women have higher LFPR than married women, which is highly noticeable for women in their early 20s until the early 40s. Within this age range, women perhaps stay at home to take care of their young children.

[10] Abrigo, M.R.M. (2018) Greening the Philippine Employment Projection Model Baseline Results.
[11] World Bank. (2019). Philippine Economic Update: Safeguarding Stability, Investing in the Filipino.

The difference tapers off in the late 40s when the LFPR of married women reaches its peak and that of single women starts to decline more sharply.[12]

RA No. 8187 or the Paternity Leave Act of 1996 grants seven days paternity leave to the father of the child, if he is married to the female worker. Thus, a married new father can enjoy as much as 14 days leave (7 days paternity leave and 7 days under RA 11210). In the absence of the father, the female employee may still allocate said maternity leaves to an alternate caregiver who shares with her the same household.

Notwithstanding, the previous 60-day maternity leave is insufficient for new mothers to rest, recuperate, and recover from childbirth. After the 60-day period, mothers will have to wean their newborns and often have to halt breastfeeding to resume reporting to work.

Policy response and implementation

The 105-Day Expanded Maternity Leave Law or Republic Act (RA) No. 11210 increased the maternity leave period from 60 days to 105 days with pay for mothers and an option to extend for an additional 30 days without pay. For single mothers, an additional 15 days is granted. Formal economy workers, contract of service and job order workers in government can also claim maternity leave benefits from Social Security System (SSS) (as informal workers) if they have remitted to the SSS at least three monthly contributions in the 12-month period immediately preceding the semester of her childbirth, miscarriage, or emergency termination of pregnancy. Seven days of the paid leave credits are transferrable to the father, regardless of marital status.

Impact

More women are now engaged in professional work despite their prominent domestic roles. As of 2020, more women (659,687 female civil servants) occupy second level positions than their male counterparts (458,796) in the government.

In 2019 alone, the LFPR of women increased to 47.9 percent from 46.6 percent in 2018. As of March 2021, LFPR among women is at 53.1 percent. Underemployment is also lower for women at 13.4 percent compared to 18.1 percent in March 2021.

While the numbers have yet to be updated, PSA notes number of women who left the workforce due to household/domestic roles decreased from 5.1 percent to 4.9 percent in 2019.

Challenges and Lessons

However, the Philippines has yet to observe fully the challenges and lessons that can be learned from the reforms considering its recent implementation. SSS will soon start accepting online Maternity Benefit Applications (MBA) and Maternity Benefit Reimbursement Applications (MBRA) through its My.SSS portal.

[12] Epetia, M.C.F. (2019). Explaining the Gender Gap in Labor Force Participation in the Philippines. *Japan Labor Issues*, (3)17, 30-38. Retrieved from https://www.jil.go.jp/english/jli/documents/2019/017-04.pdf

C. CASE #3: UNEMPLOYMENT INSURANCE BENEFIT (UIB) OF SOCIAL SECURITY SYSTEM (SSS)

(Theme C: Structural reforms / supporting policies [including social protection systems] protecting vulnerable groups)

Pre-reform Situation

The Philippines' geographic location, which results to frequent occurrence of natural disasters, contributes to the varied employment shocks that the economy faces. Further, the necessary mobility restrictions to minimize the transmission of COVID-19 resulted in an economic fallout and job loss.

Policy response and implementation

The Social Security Act of 2018[13] prescribes a basic social unemployment insurance. The unemployment insurance/involuntary separation benefit/unemployment benefit is a cash benefit granted to covered employees, including house help, and Overseas Filipino Workers who are involuntarily separated from employment. The unemployment benefit aims to provide involuntarily separated members with financial aid to tide them over as they look for another job.

The unemployment benefit is a one-time payment equivalent to 50% of the Average Monthly Salary Credit multiplied by two (for 2-month period coverage). The claim must be filed within a year from the date of involuntary separation. The member availing this benefit should not be over 60 years old at the time of involuntary separation; not over 50 if an underground or surface mineworker; and not over 55, if a racehorse jockey. Said beneficiary member must have also paid at least 36 monthly contributions, where 12 months of which should be in the 18-month period immediately preceding the month of involuntary separation.

Impact

Since these social protection (SP) enhancements were just recently implemented, it is still too early to see their significant impact. The SSS administrative data reports annual unemployment benefit availment as follows:

Table 1. Annual SSS Unemployment Benefit Availment: 2019-2021.

Year	Number	Amount (PHP)
2019	14,993	179,092,245
2020	127,821	1,651,489,885
2021	6,361	80,821,888

Source: SSS, as of January 2021

Table 1 also shows that the UIB of SSS had 10 times more claimants in 2020 than in 2019. SSS also noted an increase in the loans after the economy was put under a state of calamity because of the COVID-19 pandemic.

[13] Republic Act (RA) No. 11199, Sec. 14-B. Retrieved from https://www.sss.gov.ph/sss/DownloadContent?fileName=20190207-RA-11199-RRD.pdf

Challenges and lessons

On the unemployment benefit design, the current legislated social unemployment insurance scheme is deemed inadequate. It falls short of providing adequate income stability for workers during periods of involuntary unemployment. However, the Philippines has yet to observe fully the challenges and lessons that can be learned from the reforms considering its recent implementation.

RUSSIA

A. MEASURES TO SUPPORT EMPLOYMENT

The unemployment rate in the Russian Federation during last 5 years (2014-2019) did not exceed 4-5%. The impact of the global COVID-19 pandemic has been felt by societies and economies across the globe, including Russia, for more than a year. Intensifying and expanding in terms of its reach, it has significantly affected public health and created unprecedented shocks to labour markets. The massive economic disruption arising from the COVID-19 crisis is affecting the world's workforce. In 2020, the average annual unemployment rate in Russia reached 5.7%. The Ministry of Economic Development of the Russian Federation forecasts that by the end of 2021 this indicator will decrease to 5%.

The total number of people laid off during the pandemic in Russia is 680 thousand workers. Industries most affected are arts, entertainment, hospitality, food service and retail. Laid off employees by job level: 46% – specialists, 38% – heads of departments; by age: 38% – people 41-54 years old, 28% – 34-40 years old.

The government of the Russian Federation has adopted a whole range of decisions to support people who have lost their jobs. First of all, the amount of unemployment benefits has been increased - both the minimum and maximum. The scope of persons who are eligible for such benefits has been expanded.

Payments for children have been introduced if their parents lost their jobs. The minimum amount of childcare allowance, which is received by non-working parents, has been doubled. For them, the procedure for processing federal payments for children has also been simplified.

Russia has also taken a number of steps to stimulate employers to retain jobs, including by taking measures to support small and medium-sized businesses. For example, a decrease in the size of insurance premiums from 30 to 15% and the introduction of direct subsidies for the payment of salaries for each person employed in SMEs, in the amount of the minimum wage. In addition, the enterprises of the affected industries, as well as socially oriented companies were provided with soft loans at a rate of 2%. They received such support from the government given that all employees remain employed. For companies that retained at least 90% of their employees, the loans were canceled. All in all, Russia directed about 4,5% of its total GDP to fight the consequences of pandemic.

The Russian Federation is also actively implementing a program to promote employment of the population in order to integrate the work of universities and their specialized structural units with regional labor centers. This approach will make it possible to implement additional mechanisms for the employment of graduates and their professional retraining. In April 2020, the Russian government launched a new program for the employment of students and graduates on the basis of the universities. Today, more than 150 universities are participating in such a program. The program helped find jobs for more than 16 thousand students.

B. FLEXIBLE WORK ARRANGEMENTS

Last year many employers simply did not have a choice not to try the remote work format. Today, the workplace as we knew it before the pandemic no longer exists, many companies use hybrid work models. The All-Russian Public Opinion Research Center surveyed 1,600 Russians aged 18 and over. According to the data received, almost a quarter of Russians now work remotely or combine work in the office and at home. In comparison, before the pandemic, only 4% had remote work experience, and 6% had combined experience.

The pandemic has become a catalyst for many technological projects, not only in IT, but in all business processes and operations. And this will definitely contribute to the development of automation strategies this year, thanks to which the business hopes to optimize costs and gradually overcome the crisis. The Internet of Things and robotic systems are now actively used in the mining and industries, the public sector and retail pay special attention to big data. Most companies are also implementing robotic business process automation (RPA) tools in order to relieve employees, including remote workers, from routine work. At the same time, there will be a trend towards maximum simplicity, repeatability and automation, without experimenting with new technologies that have not yet proven their worth. According to WEF, 80% of Russian companies will accelerate digitalization programs. By the end of 2021, each of the four "remote" jobs will be directly or indirectly supported by new forms of automatization; 35% of companies will double their use of AI in the workplace.

The coronavirus pandemic has accelerated the spread of various forms of employment. Keeping people in staff became unprofitable, this led to the release of a large number of specialists who switched to self-employment, project work and temporary contracts. In 2021, this trend will continue, it is part-time work that has great prospects this year. Russia is in the top 10 economies in terms of the freelance market, which has grown from RUB 33 to RUB 41 billion in three years. The number of freelance employees is 14 million (according to PwC estimates).

However, Russia, as all APEC economies, faced an insufficient legal regulation regarding the organization of remote work. Despite the fact that the Russian Labour Code previously established a regulation concerning distant employment, the format of organizing distant employment, description of the processes of interaction between the worker and employer required additional legal regulation. In order to introduce the relevant norms into the legislation, the Ministry of Labour and Social Protection proposed to amend the Labour Code. As a result, at the end of last year, a new Federal Law was adopted and it entered into force on January 1, 2021. According to this Law, distant (remote) work is the performance of a labour function outside a permanent workplace, territory or facility, under the direct or indirect employer's control. It is realized through information and telecommunication platforms including the Internet and public communication networks. The law expands the possibilities of organizing remote work in comparison with the current Labour Code. It is performed based on employment contract or additional agreement to employment contract and can be performed on ongoing basis, either temporarily (continuously for up to 6 months), or periodically, when remote work is combined with work at the permanent workplace.

The interaction of workers and employers is regulated at the organization level: collective bargaining agreement, local normative act, adopted taking into account the opinion of professional organizations, employment contract. The time of interaction between workers and employers is included in working hours. When performing work remotely, wages do not decrease, workers' basic guarantees are preserved.

Russia also faced the issue of organizing electronic document management between worker and employer. Our government is now conducting an experiment on electronic personnel document management. The electronic personnel document management will allow both worker to protect their rights to form the whole range of details of interaction with the worker necessary for implementation of the working process.

CHINESE TAIPEI: THE IMPLEMENTATION RESULTS OF "ACT FOR THE RECRUITMENT AND EMPLOYMENT OF FOREIGN PROFESSIONALS"

Introduction

In the era of globalization, the knowledge economy and the digital economy, sufficient quantity and quality of talent form the core of competitiveness. However, with our economy facing intense competition for talent externally, while also lacking sufficient incentives to attract foreign professional talent, our brain drain and talent shortage grow increasingly serious. The IMD *World Talent Report 2020* ranked our economy 20th and 26th in Appeal related indicators among the 63 economies assessed. These assessments highlight our need to do better at recruiting foreign talent.

Pre-reform situation

We have already devised and implemented a slew of policies aimed at recruiting and attracting foreign talent, to boost Chinese Taipei's competitiveness, and have matched these policies with significant regulatory easing. However, foreigners still face problems from regulatory restrictions pertaining to visas, work, residency, insurance, retirement, taxation, and other matters, which urgently need to be solved.

Policy response and implementation

To solve the aforementioned problems encountered by foreigners coming to our economy, we drafted and implemented the Act for the Recruitment and Employment of Foreign Professionals (abbreviated as "the Foreign Professionals Act"), which came into force in 2018. The Foreign Professionals Act relaxes regulations on visas, work and residency for foreign professionals coming to Taiwan, and optimizes insurance, tax, and retirement benefits offered to them, with the aim of creating a friendly work and residence environment that will make foreign professionals more willing to come to our shores. Pertinent details of its provisions are as follows:

1. The Foreign Professionals Act's recruitment targets
The competent authorities having fixed on people with special knowledge and skills in the eight specific fields of science & technology, economy, education, culture & the arts, sports, finance, law, and architectural design as targets for recruitment to speed up the transformation and upgrading of industry, the Act provides a range of favorable treatments to attract them, as follows:

(1) Issuing "foreign special professionals" with a 4-in-1 Employment Gold Card that includes a work permit, resident visa, Alien Resident Certificate and re-entry permit, valid for one to three years, which allows holders to come to our economy to freely seek, take up and change employment.

(2) Offering tax benefits for recipients of first-time approval to reside for the purpose of work, treating half of any part of their salary above TWD 3 million as exempt from income tax, and exempting their foreign-sourced income from inclusion in income basic tax (IBT) assessment.

(3) Relaxing limits on inclusion in health insurance, to allow immediate inclusion in the

system for foreign professionals' spouse, minor children, and adult children who cannot live independently due to physical or mental disability.

(4) Bolstering retirement protection by allowing foreign professionals who have obtained permanent residency to join the new labor insurance system, and giving foreign full-time public school teachers the choice between receiving a one-time lump-sum pension or monthly pension payments.

(5) Extending from six months to one year the limit on length of stay for visits by lineal ascendants.

(6) Taking account of the need to keep families together, relaxing the conditions for family members of permanent-resident foreign professionals to qualify for permanent residency, so that their spouse, minor children, and adult children who cannot live independently due to physical or mental disability can apply for permanent residency after five years of continuous residence and without needing to prove financial capability, and also allowing adult children who meet specified conditions of long-term residence to apply for a personal work permit.

2. Strengthening the recruitment of ordinary foreign professionals

Offering employment-seeking visas to ordinary foreign professionals, to make it easier for them to find jobs; opening the way for foreign arts workers to come and work freely, undertaking commissioned and creative work, and engaging in occupations such as songwriting, stage design, and so on; and allowing cram schools to hire foreign teachers with specialized knowledge or skills, to teach subjects other than languages, such as teaching classes on e-sports, computer animation, dynamic technology, and so on, to introduce and disseminate all kinds of specialist know-how.

3. Establishing a economy-level talent-recruitment portal and one-stop window, to simplify the process of applying to come to work.

(1) One-stop application platform: The Foreign Professionals Online Application Platform was set up to achieve administrative streamlining and user convenience, put e-government into practice, save foreign professionals the need for applying to multiple agencies to meet the various documentary requirements for coming to work in our economy, and enable foreign special professionals to apply for the Employment Gold Card online.

(2) To implement an integrated online-offline talent recruitment mechanism, a website was established as a economy-level talent-recruitment portal for presenting relevant information and providing a dedicated consulting service.

Impact

In just over three years since coming into effect, the Foreign Professionals Act has already shown considerable results, which include:

1. Results of the Employment Gold Card scheme

(1) As of the end of March 2021, the Employment Gold Card had been issued to 2,447 of the foreign special professionals at whose recruitment it is targeted. By field of expertise, the largest number went to 1,673 recipients in the economic field, constituting 68.4% of the total; the second most went to 269 people in the field of science & technology (11%), followed by 182 in the field of culture and the arts (7.4%), 165 in the field of finance (6.7%), 149 in the field of education (6.1%), 8 in the field of architectural design (0.3%), and one in the field of sports (0.04%).

(2) The scheme has enabled the recruitment of a number of notable Silicon Valley entrepreneurs with roots in our land, as well as many other top people from various fields including internationally renowned aerospace experts, heavyweight industry leaders, front-rank scientists, well-known angel investors, and serial entrepreneurs, all of whom received Employment Gold Cards and came one after another to our shores to invest and start new ventures, assisting and piloting entrepreneurial teams in our economy and the Greater China Region.

Number of Employment Gold Cards issued (up to the end of March 2021)

Unit: No. of cards

Year	**Year's total**	**Cumulative total**
2018	188	188
2019	358	546
2020	1,399	1,945
2021 (Jan-Mar)	502	**2,447**

2. Results of relaxing other work and residency regulations: As of the end of January 2021, approval had been granted for the employment of 1,726 foreign special professionals; work permits had been issued to 169 freelance artists; personal work permits had been issued to 38 adult children of foreign professionals; 162 people had obtained employment-seeking visas; 385 family members of permanent-resident foreign professionals had been approved for permanent residency; and 22 family members co-applying with senior professionals had been approved for permanent residency.

Challenges and lessons

In the face of such international situations as global supply chain restructuring and the digitalization trend, global companies have been reshaping their deployment, with international titans such as Google, Facebook, Amazon and Microsoft coming one after another to set up data or R&D centers in our economy, and investment by our own returning enterprises repeatedly reaching new highs. Meanwhile, vigorous efforts by the government in recent years to enhance conditions for the development of domestic new ventures have helped our economy to twice successively gain the Asia-Pacific's top ranking on the innovation capability pillar of the World Economic Forum's Global Competitiveness Report, and to be named as a "super innovator". With these plus its success in controlling the spread of the COVID-19 virus, Chinese Taipei has succeeded in attracting a new wave of international talent to its shores.

To grasp the opportunities of global industrial chain restructuring in the post-pandemic era, and to strengthen the recruitment and retention of foreign professionals and outstanding young international talent, our government is acting promptly to steer through amendments of the Foreign Professionals Act that will further relax regulations on work, dependent relatives' residence, etc., and further enhance the Act's tax inducements (such as by extending the time limit of the tax exemption for foreign special professionals from three years to five), social security provisions, and other benefits, to establish a more complete regulatory framework for our economy's talent recruitment, and create an environment more conducive to recruiting and retaining prime talent.

UNITED STATES

Introduction

The COVID-19 pandemic has had a massive impact on United States Government (USG) federal employee operations. Since March of 2020, the USG has opted for a policy of maximum telework, wherein all employees who could work remotely from their office would do so. Telework had been accepted but its use increased dramatically with the outbreak of the pandemic, inputting lasting changes on the way in which USG federal employees work.

Pre-Reform Situation

Prior to the outbreak of the COVID-19 pandemic, USG federal employees were mostly required to work in person at their assigned office. Teleworking was permitted and the initial infrastructure had been set up, but the overall proportion of USG federal employees engaged in telework or remote work had remained steady despite a steady increases in the total number of federal employees. Prior to the pandemic, less than 25% of USG employees engaged in telework at all and around 50% of employees were eligible to telework at all.[14] Among USG federal offices, there was a strong cultural inclination and institutional inertia in favor of in-person work. Many supervisors and managers expressed concern over whether worked could be properly managed and productive without supervision.

Policy Response and Implementation

Following the outbreak of the COVID-19 pandemic and its spread in the United States, from March 15, 2020 the Office of Personnel Management (OPM) opted for a policy of maximum telework. Under this policy, OPM urged other government offices and departments to provide the maximum possible number of employees with the opportunity to telework, within the operational needs of their department. Implementation was primarily the responsibility of the individual government departments and other offices, each of which would follow its own system for authorizing telework. OPM did advise that where such offices lacked telework plans, then other forms of leave should be used in order to ensure compliance with health recommendations.

Impact

The maximum telework order had an immediate impact on USG working behaviour, with massive increases in telework across all departments. While precise statistics are not yet available, some departments cited an increase in telework of 90% compared to pre-pandemic. This dramatic increased in the number of USG federal employees performing their duties remotely enabled the USG to better comply with public health guidelines during the COVID-19 pandemic.

Beyond success in countering the COVID-19 pandemic, the move to maximize telework has led to a greater acceptance of telework in general within the USG.[15] While concerns and issues undoubtedly remain, more flexible telework options appear to have become a more standard

[14] https://www.telework.gov/reports-studies/reports-to-congress/2019-report-to-congress.pdf

[15] https://fcw.com/articles/2021/03/24/opm-post-covid-no-going-back.aspx

feature for USG federal employees even in the post-pandemic environment. The increased prevalence of telework within USG employment in turn provides another benefit government work can offer to keep up with those offered by the private sector, enabling the USG to better retain talent.

The full report on telework during the COVID-19 pandemic has yet to be released, which would provide further clarification on the implementation of maximum telework within the USG.

Challenges and Lessons

A key challenge to overcome in dealing with the maximum telework was institutional concern with whether USG federal employees could continue to be productive if their manager or supervisor was no longer physically present to supervise them. This institutional reluctance was a major part of the lower prevalence of telework prior to the COVID-19 pandemic. The requirement for maximum telework has helped to overcome this reluctance, demonstrating that USG federal employees can continue to be highly productive, without direct supervision. Moreover, it has enabled a greater focus on work product and outcome in management, which is greatly beneficial for overall morale.

Moving forward, the increased prevalence of telework also faces administrative hurdles. As the USG payment system was designed with the assumption that employees would have to live where they worked, locality adjustments in pay were based on the location of the office. With many workers now engaged in more prominent telework, the question of how to address employees who live in one locality while working in another has yet to be addressed.

Finally, management has had to quickly adapt to both increased telework and the newfound prevalence of hybrid schedules where USG federal employees will continue to engage in more telework post-COVID-19. Moving forward, management will require further training in order to be better prepared to handle future schedules incorporating more telework time for a larger proportion of staff.

The move to maximum telework showed the need to have telework preparations in place. NASA has had a pilot work from home program since 2014, which provided the agency with substantial experience for the large pivot to maximum telework.

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