



Annex 1

ANNEX 1

APEC Economic Policy Report 2025

Targeted policies for improving access to formalisation: Experience from some APEC economies

The persistence of informality is often linked to limited access to mainstream economic systems, which can result from various barriers to formalisation. To promote economic growth, targeted policies and programmes aimed at enhancing access to skills training, employment facilitation or support services could be considered as they help build individual capacity to transition to the formal labour market. This Annex provides various examples of such targeted policies and programmes implemented by some APEC economies.¹

Some economies paid particular attention to the issue of uneven distribution of unpaid work and caregiving responsibilities within the population and how it affects participation in the formal workforce. In Australia, data from December 2024 reveal that caring for children was the main reason for not participating in the labour force among 70 percent of women aged 25–39 years and 32 percent of women aged 40–54 years (Australian Bureau of Statistics 2025). To address this issue, Australia introduced ‘Working for Women: A Strategy for Gender Equality’ in 2024, which focuses on five priority areas for action, including women’s economic empowerment. The strategy sets bold new ambitions over 10 years to better balance unpaid work and care, and close gaps in pay, retirement income, and leadership and representation in Australia (Australian Government 2024), further driving economy-wide support for women’s participation in the formal workforce.

For some people, completely forgoing wage-earning employment to take up caregiving responsibilities might not be a choice that they can afford, often causing them to resort to informal or part-time roles as a compromise. To accommodate the flexibility required for caregivers to remain in the formal workforce, some economies have set out policies for flexible working arrangements. Singapore’s Tripartite Guidelines on Flexible Work Arrangement Requests, which took effect in December 2024, provide employers and employees with clear guidance on navigating discussions about flexible working arrangements. Chile provides another example with the Law on Work–Life Balance and 40-Hour Workweek, which enables adaptable schedules for mothers and caregivers, including preferential vacation allocation for workers with dependents, flexible schedules during school breaks, and a phased reduction in working hours. In addition, Chile has increased its public investment in care programmes by 25 percent in 2024, alongside the revised Universal Childcare Bill and the Chilean Care System, to ensure greater availability of quality and affordable childcare, reducing barriers for parents to participate in the formal economy.

Canada has also committed to a vision to build a Canada-wide Early Learning and Child Care (ELCC) system with provincial, territorial and Indigenous partners. In 2021–2022, bilateral Canada-wide ELCC Agreements were signed with all provinces and territories to channel

¹ The views expressed in this annex are those of the authors and do not necessarily represent those of APEC member economies. This annex is presented for informational purposes only and was not endorsed by APEC economies. Many policy examples presented in this annex were provided by economies through Individual Economy Reports (IERs) and voluntary Case Studies, and the publication of this annex does not necessarily imply support for all these policies.

CAD 27.2 billion (USD 19.9 billion) over five years.² As of March 2025, extensions to the current agreements have been signed with 10 of the 13 provinces and territories, which will provide nearly CAD 20 billion (USD 14.4 billion) over five years to these provinces and territories in alignment with federal commitments for long-term funding for ELCC under the Canada Early Learning and Child Care Act. Federal investments have reduced the childcare services component of Canada's consumer price index by 32 percent since its peak in March 2022, and supported many mothers in joining or returning to the labour force. From 2019 to 2024, the labour force participation rate of core-aged (25–54 years old) mothers of young children (0–5 years old) rose by 3.3 percentage points. To support greater access in the ELCC system, the government of Canada in 2022 announced CAD 625 million (USD 457.3 million) over four years for an ELCC Infrastructure Fund. These investments could include support for targeted communities and physical infrastructure for ELCC operators providing care during non-standard hours.

Some economies also see the importance of fostering a conducive workplace for women to thrive professionally amid personal responsibilities to retain women in the formal labour force. Japan introduced the *Eruboshi* certification – a system to recognise companies that have good policies for retaining and promoting women in the workplace. It publishes an annual database of companies based on five criteria, such as recruitment, retention, working hours and work styles, ratio of managerial positions and diverse career paths. As of September 2022, 1,906 companies had been awarded the Eruboshi certification (Japan Up Close 2022; Women's Empowerment Principles 2020).

Encouraging employers to provide a more supportive workplace for women may also serve as a strategy to attract women's return to formal employment, as seen in Chinese Taipei's Women's Reemployment Programme. Another pathway to assist women re-entering the workforce is by establishing employment support services, as implemented by Korea. The Women Re-employment Support Centre (*Saeil* Centre) operates at 159 locations across Korea to assist women who have taken a career break or are currently unemployed to find a job. The centre provides vocational education and training, support for applying for grants, career diagnosis/counselling, job linkage, online certification application, etc.

Similarly, in Singapore, women can tap on a variety of career facilitation and training programmes offered by Workforce Singapore (WSG). For instance, jobseekers who require reskilling can tap the Career Conversion Programmes (CCPs). CCPs provide employers with salary support to reskill mid-career new hires or existing employees into a new occupations or sectors with good long-term prospects. Mature mid-career individuals aged 40 years and above can consider the Mid-Career Pathways Programme (MCP), a full-time attachment programme allowing individuals to widen their professional networks and gain meaningful industry-relevant skills and experience to facilitate their transition into full-time employment. Training allowances are co-funded by the government during the attachment period. Trainees can be placed in the host organisation after the attachment if their performance is satisfactory.

Meanwhile, to directly incentivise women to return to formal employment, Malaysia's Career Comeback Programme (CCP) offers individual tax exemption for up to 12 months to eligible women returnees. Data as of 2023 show that the programme has listed 2,783 women in its database, held 49 workshops and webinars, hosted 3,670 workshop attendees and recorded 351

² Quebec, which had established a high-quality, affordable childcare system prior to work to build the Canada-wide system, receives ELCC funding through an asymmetrical agreement.

companies employing CCP women (TalentCorp 2024). Following the Prime Minister's Budget 2025 announcement on the proposed additional income tax exemption of 50 percent for 12 months to employers that hire women who are returning to the workplace, small and medium enterprises (SMEs) have begun employing such women (Yusof and Pfordten 2024).

Young people represent one of the largest at-risk groups for informal employment. In low-income economies, only one in five young adults aged 25–29 manage to find a secure paid job, that is, a job with a paying employer and a contract greater than one year in duration. Even in high-income economies where the share is higher (76 percent in 2023), the incidence of temporary work among youths has risen. One fifth to a quarter of young adult workers are currently engaged in temporary paid work, a share that has increased over time (ILO 2024a). To tackle these issues, APEC economies have introduced targeted policies to engage youths, including through training and education, school-to-work transition, and employer-based incentives.

Globally, around 23.5 percent of young people aged 15–24 are not in education, employment or training (NEET) (ILO 2023). With approximately 1.2 million NEETs in the economy, Thailand's Zero Dropout policy aims to reintegrate children and youth who have dropped out of the education system into formal education and training, ensuring they develop skills for employment. This multi-agency effort has been incorporated into a Five-Year Action Plan (2023–2027), which has set the goals of engaging 100,000 NEETs in training or employment by 2027 and reducing the NEET rate by 0.5 percent annually. In Mexico, the YouthBuild Mexico (*Jóvenes con Rumbo*) programme provides youth aged 18–29 who are not formally employed but too old to access traditional school system with an 18-month programme where participants can earn a high school diploma and two technical training certificates. Since 2012, around 1,270 young people have benefited from the programme (Youth Build Mexico n.d.).

Beyond training and education, career guidance also helps in directing youth toward formal employment opportunities. In China, its public employment services have expanded outreach to campuses, offering on-site career guidance and employment services to university students. In Japan, 'Hello Work for Youth' support centres enabled 108,235 young casual employees³ to secure regular employment in 2021 through consultations, seminars and vocational training (ILO 2024b). Virtual Hello Work, through its presence on a metaverse platform – where young populations may participate as avatars in a virtual space – removes the anxiety or unfamiliarity of face-to-face consultations, encouraging more participation from youths (Metaverse BizNews 2024).

In assisting the transition from school to formal work, several economies offer structured apprenticeship models. Malaysia's Apprenticeship Scheme places youths in real-life work settings across private firms and government-linked companies, enhancing their knowledge through soft-skills training and on-the-job training. As of November 2020, the programme reported a 94.7 percent placement success rate, with 376 out of 397 participants transitioning into jobs (Youth Policy Toolbox 2021).

On the other hand, some economies also consider addressing employer hesitancy to hire inexperienced youth as equally critical. In Japan, the Trial Employment Scheme provides a monthly expenses subsidy of JPY 40,000 (USD 276) for three months to employers offering

³ Casual employment is a form of temporary employment, where workers are engaged for a specific period of time. It includes fixed-term and project- or task-based contracts as well as seasonal or casual work, including day labour (ILO 2016).

short-term jobs (minimum 30 hours per week) to people lacking professional experience to be formally employed. Approximately 70 percent of those who completed the trial have transitioned to regular employment (Koji 2023). China has also rolled out several measures to boost the employment of fresh college graduates and youths, including subsidies for employers of CNY 1,500 (USD 208) per hiring. Similarly, Korea's Youth Employment Leap Incentives offer up to KRW 7.2 million (USD 5,200) per year to SMEs that hire and retain young workers for at least six months.

A study by Ananian and Dellaferrera (2024) indicates that individuals with disabilities – who are less likely to participate in the labour market, and who, when they do, face higher unemployment rates – are more likely to be self-employed and earn lower wages. The major drivers of such challenges are inadequate workplace accommodations, the potentially greater job flexibility offered by self-employment, and other structural and social barriers faced by people with disabilities. Several APEC economies have responded with diverse strategies to improve access to formal employment, through strategic frameworks, employment schemes and facilitation support.

Canada set out a comprehensive framework through its Disability Inclusion Action Plan (2022), a multi-pillar strategy aiming to support financial security and employment, and foster accessible communities for over 8 million Canadians with disabilities. The employment pillar includes measures to support job readiness, career advancement and workplace accessibility. Key initiatives include efforts to embed disability inclusion within public sector hiring and existing labour market programmes, the creation of an Employment Strategy for Canadians with Disabilities, over CAD 270 million (USD 197.5 million) in additional funding for employment assistance programmes, and efforts to embed disability inclusion within public sector hiring and existing labour market programmes.

A study from the ILO in 2019 shows that 103 economies had implemented policies to encourage certain levels of employment of people with disabilities (Ananian and Dellaferrera 2024). The programmes typically specify the desired level of hiring for people with disabilities and the types of employers subject to these requirements. In some cases, measures penalising non-compliance and incentives are also outlined. Among these APEC economies, some impose levies on entities that do not comply with the measures, and some also provide incentives for compliant entities, which can include tax rebates, subsidies or preferential treatment when participating in public procurement bidding and processes.

The implementation of these policies appear to be challenging, as indicated by low compliance rates in several APEC economies. For instance, data from Indonesia show that only 0.8 percent or around 551 companies have reached the desired level with a total of 4,453 employees with disabilities (Prasetya et al. 2022). In Chile, although the compliance rates are higher at 21 percent and 15 percent in the public and private sectors, respectively, stronger enforcement is still needed (Antonijevic 2024).

In Thailand, the Empowerment Fund collects fines from private sector employers who do not comply with the prescribed level of hiring. This fine is not enforced in the case of public sector employers, which has led to a difference in compliance rate between the public and private sectors. In 2020, around 17,000 job vacancies in the public sector were set by the Department of Empowerment of Persons with Disabilities (DEP) for people with disabilities. Only 2,700 were hired, leaving more than 14,000, or 83 percent, unfilled. On the other hand, in the private sector, the DEP recorded that approximately 64,772 vacancies were reserved for people with

disabilities and only 12,741 vacancies, or 19.67 percent, were unfilled. Despite demonstrating a better compliance rate, it is reported that most private sector employers choose to pay the prescribed amount to the Empowerment Fund, as hiring people with disabilities in compliance with the regulation requires a significant amount of paperwork and lengthy processes (UNDP 2022). A similar situation is observed in China, where evidence suggests that paying the levy, rather than meeting the prescribed hiring rate, is preferred by some employers (Liao 2020).

Job placement and support services play a key role in facilitating the employment of people with disabilities. SG Enable provides advisory and consultancy services for Singaporeans with disabilities, including the Open Door Programme. In the United States, the Ticket to Work programme supports Social Security disability beneficiaries aged 18-64 to enter or re-enter the workforce. The programme provides free-of-charge vocational rehabilitation, training, job search assistance, ongoing support and other free employment support services. As of 2023, a total of 315,517 people has been assigned tickets to this programme (out of 7.5 million Social Security beneficiaries) (Allsup 2023).

As populations age, economies face the dual challenge of ensuring economic security for older adults while tapping into their potential as contributors to the labour force. Without intervention in the form of legal support or preferential programmes, opportunities to access formal employment for the elderly are limited. Yet, with rising life expectancy and financial needs in retirement, many elderly people express a willingness to continue working and be provided a supportive environment for it. Expanding opportunities for older adults to remain in or return to formal employment has therefore become a structural policy imperative, balancing labour market access with economic sustainability.

In Singapore, the government supports senior workers to continue working if they wish to through the Retirement and Re-employment Act, which mandates that employers offer re-employment to eligible employees who have reached the minimum retirement age (currently 63), up to the re-employment age of 68. The retirement and re-employment ages will be raised to 65 and 70 respectively by 2030, signalling a long-term commitment to elder participation in the formal workforce. Through the Senior Employment Credit and Enabling Employment Credit schemes administered by the Inland Revenue Authority of Singapore, the government provides wage offsets to help employers hire older workers aged 60 and above as well as people with disabilities.

Another example is incentives given to individuals, such as in Hong Kong, China. Launched in July 2024, the Re-employment Allowance Scheme offers a maximum re-employment allowance of HKD 20,000 (USD 2,500) to individuals aged 40 or above who sustain employment for 12 consecutive months. This initiative particularly targets homemakers and retirees to join or re-join the labour market. As of March 2025, the scheme has recorded over 38,000 participants and over 16,000 successful placements. This scheme is introduced alongside the Employment Programme for the Elderly and Middle-aged, which collectively reduce age-related barriers in accessing formal jobs.

Thailand, with an elderly population of over 13 million, has adopted multiple approaches to empower older adults through job placement and skills development. The 5x5 Policy, for example, includes Schools for Older Adults and career development centres to support skill enhancement and workforce re-entry and expand employment opportunities. To promote entrepreneurship, the government, in collaboration with the private sector, has implemented programmes to support senior entrepreneurship through product sales, training and events such

as the Happy Senior Market. Furthermore, the Elderly Fund provides interest-free loans to support income-generating activities, with over 4,200 individual loans disbursed in 2024 and 1,900 loans in 2025. The Elderly Fund has developed an online loan application service to provide convenience for older person users, allowing them to track their application status through various channels.

Labour formalisation may benefit from targeted interventions for individuals challenged by geographic isolation, language and cultural barriers, lack of job information and weak institutional support. According to the Organisation for Economic Co-operation and Development (OECD), rural and Indigenous populations are overrepresented in informal sectors due to limited access to formal job markets and public employment services (OECD 2020). Tackling these structural gaps is essential to ensuring access to formal employment opportunities.

In some economies, Indigenous Peoples face barriers in accessing decent work opportunities due to limited access to training and skills as well as persisting structural barriers to economic participation such as lack of information or connectivity (ILO 2019). To address these barriers, Chinese Taipei established Indigenous Employment Service Stations. Subsidies are provided for these stations in regions where the Indigenous population exceeds 20,000. This initiative considers the differing employment needs and resource availability of Indigenous communities in tribal and metropolitan areas, providing culturally appropriate employment services through these stations. Similarly, the government of Hong Kong, China assists with the formalisation process through the Racial Diversity Employment Programme, which provides one-stop employment services to those residents in need through a case management approach delivered by commissioned non-governmental organisations.

Efforts to stimulate formal employment in rural and remote regions are pivotal to promoting economic opportunities for the residing populations. In Japan, the Regional Employment Development Grant provides subsidies for business owners who set up and maintain business establishments and hire job applicants in areas with limited employment opportunities. These subsidies cover wages for newly hired workers and the cost of acquiring the machinery or equipment required for the new jobs. China's work-relief programmes are aimed at individuals in need of employment, especially rural residents who have been lifted out of poverty, individuals prone to returning to poverty, and workers who have returned to their hometowns. The programmes focus on key projects as well as agriculture and rural infrastructure projects aimed at boosting employment. In the first three quarters of 2024, these programmes created a total of 2.45 million jobs for low-income workers, a year-on-year increase of 30.2 percent, and distributed CNY 31 billion (about USD 4.35 billion) in wages, up 22.7 percent from a year earlier (CGTN 2024).

To facilitate a seamless transition to destination labour markets, Papua New Guinea participates in the Pacific Australia Labour Mobility (PALM) scheme, which offers employment opportunities for workers from nine Pacific Islands economies and Timor-Leste in Australia. The scheme includes pre-departure training, arrival briefings and ongoing support for cross-border labour mobility. As of March 2025, there were 31,310 participating workers in the scheme, of which 1,995 were from Papua New Guinea (PALM 2025).

REFERENCES

- Allsup, J. 2023. “Ticket to Work Program: What Is It and How Does It Work?” *Kiplinger*, 7 July. <https://www.kiplinger.com/personal-finance/ticket-to-work-program-what-is-it-and-how-does-it-work>
- Ananian, S., and G. Dellaferrera. 2024. “A Study on the Employment and Wage Outcomes of People with Disabilities.” Working Paper 124. International Labour Organization (ILO).
- Antonijevic, A. 2024. “Labor Code Is Amended to Include New Labor Inclusion Laws.” *DLA Piper GENIE*, 30 September. <https://knowledge.dlapiper.com/dlapiperknowledge/globalemploymentlatestdevelopments/2024/labor-code-is-amended-to-include-new-labor-inclusion-laws>
- Australian Bureau of Statistics. 2025. “Barriers and Incentives to Labour Force Participation, Australia: Reference Period December 2024.” 8 May. <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/barriers-and-incentives-labour-force-participation-australia/dec-2024#cite-window1>
- Australian Government. 2024. “Working for Women Strategy Overview.” <https://genderequality.gov.au/working-for-women/working-women-strategy-overview>
- China Global Television Network (CGTN). 2024. “China Creates 2.45 Million Jobs through Work-relief Programs.” 4 November. <https://news.cgtn.com/news/2024-11-04/China-creates-2-45-million-jobs-through-work-relief-programs-1yfVzUwThxS/index.html>
- International Labour Organization (ILO). 2016. “Non-Standard Employment Around the World: Understanding Challenges, Shaping Prospects – Overview.” International Labour Office. https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_534496.pdf
- . 2019. “Decent Work for Indigenous and Tribal Peoples in the Rural Economy.” International Labour Office. <https://www.ilo.org/publications/decent-work-indigenous-and-tribal-peoples-rural-economy>
- . 2023. “World Employment and Social Outlook: Trends 2023.” International Labour Office. https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@dgreports/@inst/documents/publication/wcms_865332.pdf
- . 2024a. “Global Employment Trends for Youth 2024: Decent Work, Brighter Futures.” International Labour Office. https://www.ilo.org/sites/default/files/2024-08/GET_2024_EN.pdf
- . 2024b. “Human Resources Development Convention, 1975 (No. 142) – Japan (Ratification: 1986): Direct Request (CEACR) – Adopted 2023, Published 112nd ILC Session (2024).” NORMLEX Information System on International Labour Standards. Accessed 10 June 2025. https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:13101:0::NO::P13101_COMMENT_ID:3999212.
- Japan Up Close. 2022. “‘Eruboshi’ Certification Empowers Working Women in Japan.” 18 November. https://japanupclose.web-japan.org/policy/p20221118_1.html
- Koji, T. 2023. “Non-regular Employment Measures in Japan”. *Japan Labor Issues* 7 (44): 52–60. <https://www.jil.go.jp/english/jli/documents/2023/044-05.pdf>
- Liao, J. 2020. “The Quota System for Employment of People with Disabilities in China: Policy, Practice, Barriers, and Ways Forward.” *Disability and Society* 36 (2): 326–31. <https://doi.org/10.1080/09687599.2020.1833311>
- Metaverse BizNews. 2024. “[Japan’s First] ‘Hello Work’ for Youth Opens in the Metaverse – Easy and Fun Job Hunting Consultations Using Avatars – Accelerating Social Problem Solving through Metaverse,” 17 September. <https://metaversebiznews.cluster.mu/en/blog/business/metaverse/en-blog10>
- Organisation for Economic Co-operation and Development (OECD). 2020. “Improving Governance with Policy Evaluation: Lessons from Country Experiences.” OECD Publishing. <https://doi.org/10.1787/89b1577d-en>
- Pacific Australia Labour Mobility (PALM). 2025. “PALM Scheme Data.” <https://www.palmscheme.gov.au/palm-scheme-data>
- Prasetya, D., E. A. Djahhari, H. Ramdlaningrum et al. 2022. “Penyandang Disabilitas Di Tempat Kerja: Kondisi Dan Tantangannya Di Indonesia Sebagai Negara G20” (Persons with Disabilities in the Workplace: Conditions and Challenges in Indonesia as a G20 Member Economy). Perkumpulan PRAKARSA. <https://theprakarsa.org/wp-content/uploads/2022/07/Penyandang-Disabilitas-Tempat-Kerja-versi-revisi-hires.pdf>
- United Nations Development Programme (UNDP). 2022. “Promoting an Inclusive Workplace for Persons with Disabilities in Thailand.” UNDP. https://www.undp.org/sites/g/files/zskgke326/files/2023-03/PWD_inclusion_study.pdf
- Women’s Empowerment Principles. 2020. “Spotlight on Public Policy: Japan.” https://www.weeps.org/sites/default/files/2020-12/CASE_STUDY_Japan.pdf

Youth Build Mexico. n.d. “Get to Know the Program: Jóvenes Con Rumbo.” Accessed 10 June 2025.

<https://youthbuildmexico.org/jovenes-con-rumbo/>

Youth Policy Toolbox. 2021. “National Apprenticeship Scheme (SPN) Programme – Malaysia.” 19 January.

<https://yptoolbox.unescapsdd.org/portfolio/spn-malaysia/>

Yusof, T. A. and D. Pfordten. 2024. “Women Returning to the Workplace Have Proven to Be Invaluable, Say Bosses.” *The Star*, 14 December. <https://www.thestar.com.my/news/nation/2024/12/14/women-returning-to-the-workplace-have-proven-to-be-invaluable-say-bosses>