



▶ Summary Report

July 2023

Workshop for the Development of a National Employment Policy for Palau

Palau Civic Center, Koror, 9-10 March 2023

Key points

- ▶ The International Labour Organization (ILO) and the Government of Palau through the Ministry of Human Resources, Culture, Tourism and Development held a two-day workshop, kicking off the process to develop a National Employment Policy (NEP) for Palau. The workshop familiarized national stakeholders with the concept of NEP and discussed labour market challenges in Palau that a NEP should address, promoting an integrated approach.
- ▶ This workshop was funded by the ILO through the Joint United Nations Programme on “[Accelerating SDG achievement through digital transformation to strengthen community resilience in Micronesia](#)”.
- ▶ This two-day workshop aimed to build up national capacity in Palau on the development and implementation of a NEP. The workshop was designed to offer a roadmap for developing an effective, coherent and consistent NEP for Palau, as well as an associated action plan with concrete policies and measures, following the principles of national ownership and social dialogue, based on ILO recommendations.
- ▶ A total of 40 participants from government, social partners, and civil society in Palau attended the workshop over the two days.



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► Welcoming remarks

In his opening remarks, **Mr Ngirai Tmetuchl, Minister of Human Resources, Culture, Tourism and Development**, welcomed all participants and stressed the commitment of the government of Palau to develop a National Employment Policy (NEP), which is fitting in line with other national efforts such as the finalization of a Youth Policy. Mr. Tmetuchl appreciated ILO support to Palau and looked forward to engaging with participants in the coming two days, taking some important steps towards the development of a NEP.

The **Director of the ILO’s Office for Pacific Island Countries, Mr Matin Karimli**, welcomed participants, and highlighted the importance of the workshop for Palau, in order to discuss and find solutions to the current employment challenges. He summarized the work that the ILO has been undertaking to support the country in its labour market recovery, including the ongoing support provided to the government on matters related to labour and occupational safety and health. He also mentioned that the ILO will use the recently adopted United Nations Sustainable Development Framework (UNSDF) to support Palau in the development of a Decent Work Country Programme (DWCP), in consultation with tripartite constituents. Mr Karimli emphasized the need to focus on

decent jobs creation and outlined the development of a NEP for the Palau to be particularly relevant in this context. He stressed that the deliberations at this workshop will shape the direction that Palau takes in defining key priorities and the way forward. Finally, he thanked the government of Palau for coordinating this workshop to ensure that it takes place and reiterated ILO’s continued support towards the priorities identified by the constituents.



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► Day 1: What is a National Employment Policy and which key priorities should it have in Palau?

Current global and regional challenges to employment: What is the ILO's approach to national employment policies in this context?

Current global and regional challenges to decent work and employment

The technical sessions of the day were led by **Mr Christian Viegelahn, Specialist for Decent Work and Employment at the ILO Office for Pacific Islands Countries**. The first session started with the presentation of some of the challenges that the global and regional economy and labour market are facing, with the objective to put Palau's situation into the broader context. Mr Viegelahn showed that the COVID-19 crisis left its mark on the economy of the Asia-Pacific region, with GDP deviating sharply in 2020 from the continuous pre-crisis upward trend, creating a gap in economic value creation that has not been closed since. Based on data available for employment and the employment-to-population ratio, job growth has been getting back on track in the Asia-Pacific region, but only slowly.

The situation differs between different groups of workers; in particular youth employment was still down in 2022 relative to 2019. Also the share of youth who are neither in employment nor in education or training (NEET) ticked up significantly in 2020, and has not gone to pre-crisis levels since then. The NEET rate is higher among young women than among young men, globally as well as in the Asia-Pacific region. Moreover, there is a consistent motherhood penalty in terms of labour force participation, with labour force participation rates among mothers of young children being significantly lower than among fathers, in the world as well as in the Asia-Pacific region.

Progress in vulnerable employment and working poverty has stalled during the crisis in the Asia-Pacific region. The vulnerable employment rate is calculated as the share of own-account workers and contributing family workers in total employment and constitutes a proxy for job quality. The working poverty rate measures the share of workers

that, despite having a job, are not able to escape poverty. Also the continuous decline in the informal employment rate in Asia-Pacific, during the years before the pandemic, slowed down as a result of the COVID-19 crisis. Another observation is that jobs recovery for workers in low- or medium-skill occupations has been slower than for workers in high-skill occupations. Overall, the crisis has opened up a jobs gap in the Asia-Pacific region that will not be closed any time soon.

Mr Viegelahn reminded the audience also of the fact that the COVID-19 crisis came at a time, when everyone was speaking of the future of work challenges including technological, demographic and climate change. These so-called mega trends have not disappeared and ought to be taken into account when designing recovery measures for labour markets.

The presentation of the data triggered some discussion among participants. Especially the differential impact of the crisis on certain groups of workers found its echo in the audience. All in all, the data showed that policies focused on employment are desperately needed in a world that is challenged by different crises.

ILO's approach to National Employment Policies

Mr. Viegelahn then proceeded by presenting ILO's approach to NEPs, which is rooted in the Employment Policy Convention, 1964 (No. 122). A NEP provides a concerted and coherent vision of a country's employment objectives and ways to achieve them. It also defines a set of multidimensional interventions in order to achieve specific targets.

In terms of objectives of a NEP, Convention No. 122 stipulates that a NEP shall aim at ensuring that "there is work for all who are available for and seeking work", that "such work is as productive as possible", and that "there is freedom of choice of employment and opportunity for each worker to qualify for, and to use his skills and endowments in a job for which he is well suited, irrespective of race, colour, sex, religion, political opinion, national extraction or social origin". Hence both the quantity and quality of job are relevant dimensions, as

well as the principle of inclusiveness and non-discrimination.

Convention No. 122 also makes clear that there is not a “one size fits all” approach, as a NEP “shall take due account of the stage and level of economic development and the mutual relationships between employment objectives and other economic and social objectives and shall be pursued by methods that are appropriate to national conditions and practices”.

Moreover, Convention No. 122 touches upon the operationalization of the NEP, speaking of “measures to be adopted” for attaining the objectives and asking countries to “take such steps as may be needed, including when appropriate the establishment of programmes, for the application of these measures”.

Finally, Convention No. 122 highlights the principles of social dialogue and wide consultation, stipulating that “representatives of the persons affected by the measures to be taken, and in particular representatives of employers and workers, shall be consulted concerning employment policies, with a view to taking fully into account their experience and views and securing their full co-operation in formulating and enlisting support for such policies”.

Mr. Viegelahn also gave examples of possible structures of the NEP document, which typically consists of a labour market diagnostics part, in which the main challenges are identified, followed by a statement of objectives of the NEP, and information on the implementation and monitoring mechanism of an action plan associated with the NEP. A NEP can include measures in a wide range of policy areas, including macroeconomic policies, sectoral/industrial policies, trade and investment policies, private sector development policies, active labour market policies and policies that foster skills development and lifelong learning, social protection and care policies as well as wage policies. Gender and youth, as well as social dialogue are cross-cutting policy areas of a NEP.

Finally, Mr. Viegelahn presented recent global trends in the adoption of NEPs, with 82 countries adopting NEPs between 2000 and 2021. The ILO would welcome if Palau joined these countries soon.

National Employment Policies in the broader policy context

Besides the importance of Convention No. 122, ILO’s approach to NEPs has been shaped by a number of global agreements. This includes the ILO Constitution (1919), the ILO Declaration of Philadelphia (1944), the Global Employment Agenda (2003), the ILO Declaration on Social Justice for a Fair Globalization (2008), the Global Jobs Pact (2009), the Resolution on Employment adopted at the International Labour Conference (ILC) (2010), and the second Resolution on Employment adopted at the ILC (2014). The Sustainable Development Goals, adopted in 2015, through Goal 8 promote “sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”.

There are also important references to employment in more recent global agreements. The ILO Centenary Declaration for the Future of Work, adopted at the ILC in 2019, refers several times to the importance of “full, productive and freely chosen employment”. The Global Call to Action for a human-centred recovery from the Covid-19 crisis that is inclusive, sustainable and resilient, adopted at the ILC in 2021, makes reference to “full, productive and freely chosen employment and decent work”, as well as “integrated national employment policy responses”.



Box 1. Survey among workshop participants on the National Employment Policy of Palau

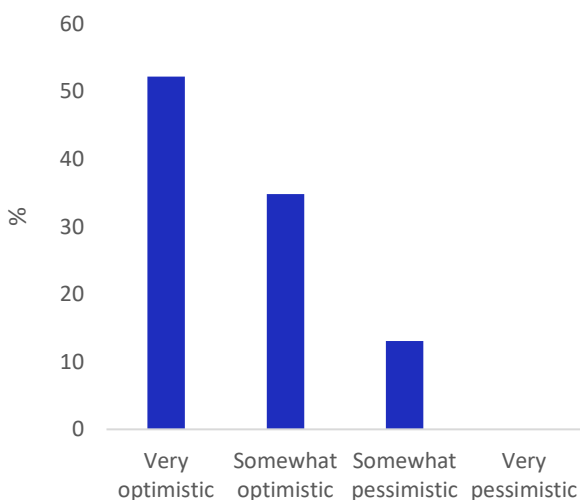
During the workshop, a survey among participants was conducted through Slido. One question was an open text field question, asking participants why Palau should have a NEP. Several points were mentioned, which can be summarized as follows:

- Keep up with international standards
- Ensure equal rights and fair treatment of workers, equal opportunities
- Ensure gair, equal and transparent employment in public and private sector
- Have a unifying vision to align and coordinate resources and efforts
- Have a reference and guidance for consistent outcomes and decisions
- Have fairness and social justice for employers, workers and government
- Support and empower Palau’s youth in the workforce
- Protect the working people of Palau
- Control employment
- Ensure fair treatment

The second question asked participants about whether they are optimistic or pessimistic about a NEP in Palau to make a real difference. The vast majority of participants expressed optimism, and most of participants were very optimistic (figure 1). When asked about the desirable achievements of a National Employment Policy, which was the third question, the words “accountability”, “fairness”, “protection” and “transparency” came up strongly (figure 2).

The fourth question asked participants to select topics that a NEP in Palau should cover, with the possibility of multiple choice. The topics of skills policies was mentioned most often, followed by youth employment policies, labour regulation and digitalization (figure 3). The final question asked participants to select the most important topic that a NEP should cover, providing the same options as a choice, but restricting the choice to only one option. Again, skills policies was the topic most often mentioned. Quite a few respondents, however, selected sector-specific policies as well, followed by labour regulation and labour migration policies (figure 4).

► **Figure 1. Optimism/pessimism about Palau’s National Employment Policy to make a real difference**



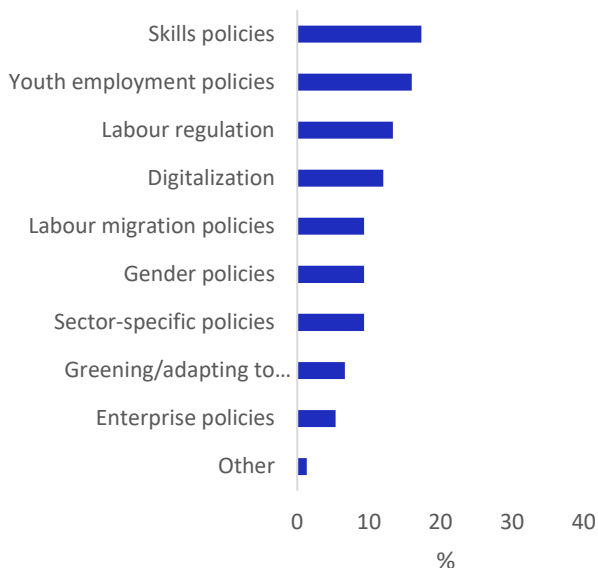
Notes: 23 workshop participants took part in answering this question. Source: Slido survey conducted by ILO.

► **Figure 2. Word cloud describing the desirable achievements of a National Employment Policy of Palau**



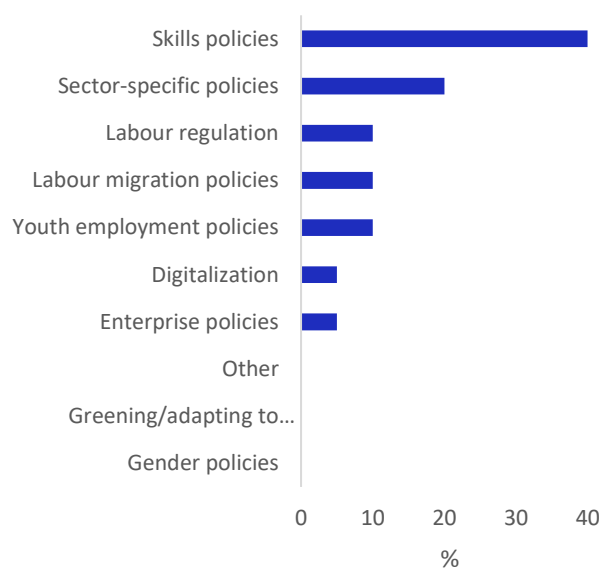
Notes: 18 workshop participants took part in answering this question. Source: Slido survey conducted by ILO.

► **Figure 3. Topics that a National Employment Policy of Palau should cover**



Notes: 19 workshop participants took part in answering this question. Source: Slido survey conducted by ILO.

► **Figure 4. Most important topic that a National Employment Policy of Palau should cover**



Notes: 20 workshop participants took part in answering this question. Source: Slido survey conducted by ILO.

The National Employment Policy process

Prerequisites for a successful policy process

The next session started off with a presentation by Mr Christian Viegelahn of some elements which according to ILO experience are important in ensuring that the NEP policy process is successful, and results in a NEP that is able to create some benefits for the country. This includes national ownership and alignment with other national policy processes. It also includes the formation of broad-based partnership to achieve the objective of the NEP. Moreover, a broad and sustained political commitment to the NEP is important, as well as clarity on the accountability for the achievement of the NEP. Finally, the NEP process should be inclusive and based on social dialogue between the tripartite partners, as well as consultation with all other relevant stakeholders in the country.

An introduction to the National Employment Policy cycle

The National Employment Policy cycle broadly consists of seven phases. This includes:

- **Preparation phase:** Phase in which the overall goals of the NEP is defined and the organizational framework is set, including timelines and resources for the process.
- **Issue identification phase:** Phase in which issues on the labour market are identified, based on data and analysis as well as broad-based consultations with relevant stakeholders.
- **Formulation phase:** Phase in which priorities are being set, policy options are being evaluated and a first draft of the NEP is produced.
- **Programming and budgeting phase:** Phase in which action plan is being defined, including outcomes, outputs, targets, roles and responsibilities and budgetary requirements.
- **Validation, adoption and communication phase:** Phase in which national consensus on the NEP is obtained and the NEP is formally adopted and communicated to the public.

- Implementation and monitoring phase: Phase in which monitoring and evaluation framework is operationalized, actors are trained if needed and work between different government entities, social partners and other actors is coordinated to implement the NEP.
- Review and evaluation phase: Phase in which the NEP is evaluated and assessed, using quantitative and qualitative research methods, informing the design and development of the following NEP.

Next steps in the NEP process for Palau

Mr Viegelahn outlined the next steps in the NEP process for Palau, which at the time of the workshop finds itself in the preparation and issue identification phase. The workshop indeed provided a first occasion to discuss the overall goals of the NEP and identify some of the priorities. The workshop also allowed to agree on the broad timeline of the NEP process, where the validation and adoption of the NEP would be envisaged for late 2023 or early 2024.

In terms of process, Mr Viegelahn suggested the next steps in the NEP process for Palau, where he emphasized the crucial role that social dialogue should play in the development of the NEP. He suggested the engagement of a consultant who would support the country with the drafting of the policy, based on extensive consultations with all stakeholders, including social partners and civil society. This approach was broadly agreed to by the audience.

Group discussion: Which risks/challenges do you foresee in the process for Palau? What can be done to mitigate those risks?

For the group discussion, the audience was divided into five groups to discuss the risks and challenges foreseen in the NEP process for Palau, as well as potential measures that can be taken to mitigate those risks. After the group discussions, participants reported back to the plenary. The following risks/challenges were mentioned:

- Reviewing existing policies of the national government and other semi-autonomous agencies (SOE, PNCC etc), link NEP to other relevant processes
- Having small businesses adapt to the policies
- Getting all stakeholders in one room
- Budget allocation
- Getting political commitment
- Possible lack of leadership in the policy development
- Ensuring consideration of all vulnerable groups in the policy
- Timeliness of policy development and adoption, possible delays
- Lack of accountability
- Lack of implementation
- Political/cultural dynamics
- Having the right sample of representation of businesses, sectors, demographics
- Avoid leading discussions by a consultant
- Ensuring inclusivity
- Understanding the culture of how to communicate in various groups
- Underline importance of gender and youth discussions
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As for potential measures to address these challenges, the following suggestions were made:

- Engage in consultation (including separate ones), inform all relevant stakeholders about the importance of the policy, include traditional leadership
- Create gender and youth focus groups
- Identify a champion within a group to support consultant
- Have core group committed to work on the NEP
- Set uniform standard of benefits that fits all businesses and agencies
- Prepare a budget proposal for this policy
- Have super ministry to take charge
- Develop feasible time plan
- Have activities that involve communities to ensure awareness that leads to “buy in” (may be included in state visits, include media/social media/print)
- Committed advocacy by all stakeholders

The economy and labour market of Palau: What should be the priorities of a National Employment Policy?

The labour market in Palau: What do the data tell us?

The next session started off with a presentation of the most recent labour market data available for Palau and other Pacific Island countries. For Palau, this corresponds to data from the Palau Census of 2020.

The data show that the unemployment rate in Palau is the lowest in the nine Pacific Island countries with available data. Still, the youth unemployment rate is considerably higher than the adult unemployment rate. Palau has the second lowest NEET rate for youth among the nine Pacific Island countries with available data. The NEET rate for young women is only slightly higher than for young men.

The share of employees in Palau's workforce is the highest among the nine Pacific Island countries with available data. The services sector is by far the largest employer in Palau. Palau is the Pacific Island country among those with available data that has the second highest share of workers in high-skill occupations.

Policies and measures for inclusion into a National Employment Policy

There are various policies and measures that can be included into a NEP. A wide range of potential thematic areas could be covered by a NEP, including policies related to informality, social protection, training/skills, gender, youth, SMEs/entrepreneurship, migration, micro finance, vulnerable groups, local/rural economic development, disability, wages and cooperatives. It can also cover broader policy areas linked to employment such as macroeconomic policies, trade policies, investment policies, policies related to private sector development, sectoral policies or policies related to the green, digital and care economy.

In terms of labour market regulation, a NEP may tackle issues related to retirement policy, non-standard employment, dismissals, working conditions, work-family balance, occupational safety and health (OSH), anti-discrimination, public sector or migration. Among the instruments available in the toolbox of policy makers are active labour market policies (ALMPs), covering public employment services, training, measures of direct job

creation, employment incentives, start-up incentives and ALMPs targeting specific groups such as youth or migrants.

A NEP can include social protection policies that provide benefits and insurance in certain situations during the lifecycle. This includes child benefits, child care services, social protection for caregivers, parental leave provisions, health insurance/sickness benefits, unemployment insurance, employment injury insurance, disability benefits and pension insurance.

As for wage policies to be included into a NEP, this may include minimum wage policies, policies around collective bargaining, working time and work organization, public sector wages or policies of wage indexation.

Group discussion: What are the biggest labour market challenges in Palau? What measures could be taken to address those challenges?

For the group discussion, the audience was once more divided into five groups to determine the most pressing challenges that should be addressed by a NEP and their root causes, and think about potential ways to address them. The following challenges were mentioned:

- Skills gap, insufficient labour pool
- Lack of benefits
- Skill-based job opportunities
- Influence from digital market
- Nepotism
- Outmigration of skilled workers
- Lack of information
- Lack of training access and opportunity
- Outdated labour policies
- No NEP
- Low wages/salaries
- Undervaluation of work
- Lack of flexibility regarding leave, part-time/full-time, irregular work hours
- Inadequate job placement
- Lack of professional growth opportunities

Among the potential measures to address these challenges, the following were mentioned:

- Create policies to control hiring processes and ensure that they are fair
- Increase salary in contracts, offer some incentives/social benefits in contracts, ensure consistency on public/private salaries, minimum

- wage legislation, improve social protection benefits, leave entitlements, work/life balance
- Offer job-focused scholarships, based on skills in demand
- Design outreach programs and educate about the risks of social media
- Develop mentorship programmes
- Have targeted communication to improve information flow
- Identify TVET needs based on labour market demand assessment
- Develop, adopt and implement NEP
- Better enforce existing policies
- Develop alternative training pathways, conduct training needs assessment
- Ensure positive media exposure to make sure that some work is not undervalued
- Avoid micromanagement to allow for professional growth



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► Day 2: Diving deeper into thematic areas

Leveraging the opportunities of a just digital and environmental transformation

Digital transformation and decent work

Mr. Viegelahn discussed the challenges and opportunities of the digital transformation, largely based on Charles, Xia and Coutts (2022). In order to access the opportunities, access to digital infrastructure and skills is crucial. At the same time, there are some challenges related to potential decent work deficits, which policy makers need to bear in mind and address in the context of digitalization.

In the Pacific Island context, digital technologies arguably provide new opportunities for digital entrepreneurship, which refers to entrepreneurial pursuits through the use of technological platforms and other information communication equipment. Digital entrepreneurship can fall within many categories of business such as marketing, sales, products, distribution, stakeholder management, operation. E-commerce has the potential to overcome market barriers and create entrepreneurial opportunities by lowering the asymmetry of information and increasing economic efficiency. Investment in basic digital infrastructure needs to be stepped up and tailored. Digital

literacy training is necessary to support digitally marginalized groups.

Skills and e-learning is another area in which there are on the other hand potential opportunities of digital technologies for a Pacific Island country such as Palau. Opportunities through massive open online courses (MOOC) can enable life-long learning, not only for youth but also among the adult population for a smooth digital transition. As physical travel to trainings and courses is costly, e-learning provides new ways of access to training opportunities for people in Pacific Island Countries such as in Palau. On the other hand, digital transformation requires new skills, including baseline digital skills as well as more advanced specialized skills. Also skills related to cyber security are key. NEPs should include provisions for digital literacy, training and encouraging youth to adapt to the changing demand for skills in the future of work.

Policies need to make sure that all groups in the population have an equal chance to benefit from digitalization, including young people, women, refugees and migrants, as well as persons with disabilities.

In the context of digital labour platforms, there are challenges related to the definition of employment relations, social protection, collective bargaining and job quality. Moreover, digital technologies allow for remote

work, which requires workers to set boundaries between working time and leisure time, and employers to respect these boundaries, which at times is challenging.

Group discussion: What are the opportunities and challenges of digitalization in relation to employment in Palau?

For the group discussion, the audience was divided into five groups which discussed the opportunities and challenges of digitalization, and reflected upon policy measures to better harness opportunities and better address challenges. The following challenges were mentioned:

- Lack of digital literacy
- Lack of infrastructure, IT funding, software and system
- Lack of connectivity in remote areas and related potential lack of inclusivity
- Cybersecurity concerns
- Budgetary constraints, affordability
- Loss of social physical interaction
- Community buy-in

The following opportunities of digitalization in relation to employment were mentioned:

- Paperless/environmentally friendly, decreases carbon footprint, saves on fuel if work from home
- Cost efficient
- New opportunities: health/telemedicine
- Digital business opportunities
- Provides flexible work options, better work-life balance
- Can reduce mental health stress
- Enhances education training capabilities/accessibility
- Widen channels through which vacancies can be communicated
- Possibility to track documents, streamline administrative work and thereby lower operational costs

The following policy options were presented:

- Digital skills training/outreach (SBDC)
- Make it a priority
- Issue necessary equipment, anti-virus software

- Build ICT infrastructure to increase range of connectivity
- Encourage businesses in rural communities to sell SIM cards
- National Digital Transformation Policy
- Set boundaries between working time and leisure time, when teleworking

Green transformation and decent work

Mr. Viegelahn proceeded by discussing the green transformation, referring to the [Guidelines for a just transition towards environmentally sustainable economies and societies for all](#), which were adopted by a Tripartite Meeting of Experts in 2016.

These Guidelines highlight the opportunities of the green transformation, which consist in realizing the potential of net gains in total employment through investments in environmentally sustainable production, as well as consumption and management of natural resources. There is equally a potential for improvements in job quality and incomes on a large scale from more productive processes, as well as greener products and services in sectors like agriculture, construction, recycling and tourism. The green transformation can also lead to social inclusion through improved access to affordable, environmentally sustainable energy and payments for environmental services, for instance, which are of particular relevance to women and residents in rural areas.

The Guidelines also highlight the challenges which consist in an economic restructuring which will result in the displacement of some workers and possible job losses. Moreover, there will be a need for enterprises, workplaces and communities to adapt to climate change to avoid loss of assets and livelihoods and involuntary migration. There are also adverse effects on the incomes of poor households from higher energy and commodity prices.

Key policy areas to simultaneously address environmental, economic and social sustainability are: macroeconomic and growth policies, industrial and sectoral policies, enterprise policies, skills development, occupational safety and health, social protection, ALMPs, rights and social dialogue/tripartism.

Box 2. Joint UN programme on “Accelerating SDG achievement through digital transformation to strengthen community resilience in Micronesia”

The Joint UN Programme on “Accelerating SDG achievement through digital transformation to strengthen community resilience in Micronesia”, which is led by ITU in collaboration with ILO, FAO, UNOPS, UNESCO, UNICEF and UNODC, is a programme for Federates States of Micronesia, Kiribati, Marshall Islands, Nauru and Palau. It aims to embrace digital transformation across multiple sectors to respond to the local needs and priorities addressing multiple high priority challenges expressed by the citizens. More specifically, the joint programme will make use of digital solutions to enhance early childhood development policy and strategy frameworks, nutrition and food-based diets, employment, shock responsive social protection and safety nets for children and vulnerable groups. One of the central expected outcomes will be improved coherence amongst digital policy, legislative and strategy frameworks supportive of cross-sectoral digital transformation. Digital access and literacy will be promoted in a safe and meaningful manner that improves the quality of life and livelihood.

As the digital transformation is crucial for employment creation and has an important impact on labour markets, also some steps towards the development of Palau’s NEP will be funded by the ILO through this Programme.

Promoting an inclusive labour market for youth

Youth and the labour market

Mr Felix Weidenkaff, Specialist for Youth Employment at the ILO’s Regional Office for Asia and the Pacific in Bangkok, led the virtual session on youth and started by showing some data that illustrates that youth in Palau were in a vulnerable labour market situation even before the COVID-19 crisis. He referred to the NEET rate and the youth unemployment rate which is low in regional comparison, but was still five times higher than the adult unemployment rate in 2020. According to Mr. Weidenkaff, the COVID-19 crisis then caused a massive disruption to labour markets, with disproportionate impacts on youth, who encountered disruptions to education, training and work-based learning, difficulties in transitioning from school to work and job disruptions.

In order to understand the youth employment challenges, it is important to bear in mind that facts such as youth unemployment are the effects of a number of root causes, which ought to be tackled by a NEP or a National Action Plan on Youth Employment (NAP).

Policy measures to address the youth employment challenge

Mr Weidenkaff emphasized the importance of integrated inclusive policy measures on youth employment. Key policy areas are: pro-employment macroeconomic policies

with a focus on youth, employability policies (education, training, skills, school-to-work transition), labour market policies, youth entrepreneurship and self-employment policies as well as rights for young people. Gender equality is cross-cutting. When designing policies, it will be important to bear in mind the future of work challenges, including technological innovations, demographic shifts, environmental and climate change, as well as globalization.

Policy measures for youth in Asia-Pacific for a human-centred recovery include measures that stimulate the economy and youth employment, a balancing of the inclusion of youth in wider labour market and economic recovery measures with youth-targeted gender-sensitive interventions, as well as cross-cutting policy considerations, including the importance to reach the most vulnerable youth and to meaningfully engage young people through social dialogue. Support measures can also include well-designed ALMPs, such as wage subsidies, investments in digital inclusion and others.

Moving forward, it will be key to invest in transforming futures for young people in Asia-Pacific, and make use of green, blue, digital, creative and care economies for youth employment.

Palau is about to adopt a National Youth Policy and Action Plan, with a significant area of work to be devoted to education, skills and employment. The current draft of the Youth Policy touches upon topics such as access to education, business and entrepreneurship skills for youth and conditions of work, and proposes some strategies to achieve the objectives.

Partnerships for youth employment

There are global partnerships for youth employment, including the YouthForesight knowledge facility as well as the UN Global Initiative on Decent Jobs for Youth, which were both briefly presented by Mr Weidenkaff.

Supporting skills development and labour mobility for decent jobs

Group discussion: What are the opportunities and challenges of inward/outward migration in Palau?

Ms Angelica Neville, Technical Officer at the ILO's Office for Pacific Island Countries in Suva, led the virtual session on skills development and labour mobility. The session consisted a group discussion on the opportunities and challenges of inward and outward migration. For this purpose, the audience was divided into five groups, in which discussions took place, before selected participants from each group reported back to plenary.

The following opportunities of inward migration were mentioned:

- Fill labour shortages/critical gaps on the labour market
- Increase knowledge, have opportunity to learn, bring fresh perspectives
- Create new jobs
- More qualified/educated labour pool, more professionalism
- Promotes economic growth and development
- Scholarship internship programs

The following challenges of inward migration were mentioned:

- Be dependent on foreign labour
- Money flows leaving the economy
- No cultural sensitivity of foreign migrant workers
- Create new businesses, but no jobs for locals
- Negative impacts on local wages
- Customary obligations, customs/culture
- Demotivating effect on locals to apply for job opportunities
- Occupation/skills mismatch
- Lack of constant communication with undergraduates/graduates
- Social impacts, integration of foreigners

- Outdated labour laws

The following opportunities of outward migration were mentioned:

- Higher wages, better benefits
- Develop skills, improves skills set
- Have more job opportunities
- Have more education opportunities (higher education)
- Better, independent lifestyle
- National policy to support Palauans return home

The following challenges of outward migration were mentioned:

- Labour market shrinkage
- Some outward migrants are not returning; skills mismatch in the case of return; brain drain
- Disruption of families
- No free time, home sickness
- Customary obligations

There was agreement in the audience that the NEP can be used to on the one hand better leverage the opportunities related to inward and outward migration, while on the other hand address some of the related challenges.



Gender-responsive National Employment Policies

Putting gender front and center of a National Employment Policy

Mr Christian Viegelahn led the session on gender-responsive NEPs. He started off by providing the good news that 90 per cent of NEPs adopted worldwide do address gender concerns in one way or another. However, there is still plenty of scope to improve. Only 18 per cent of NEPs have quantified employment targets disaggregated by sex. Interventions to encourage women to participate in education and training and to counter socio-cultural barriers to women's participation in the labour market are included in 70 per cent of NEPs, but they saw a slightly decreasing trend over time. The gender content of macroeconomic policies remains weak, and investment and trade policies have remained largely gender blind. Also engendered measures for work quality are less represented in NEPs. There is overall a lack of efforts to address the roots of gender equality in NEPs.

There are some concrete entry points to strengthen the gender dimension in NEPs. As part of the employment diagnostics, there could be gender-specific studies or at least a requirement to mainstream gender in all studies. Moreover, the drafting team for the NEP could include a gender expert. There could be the participation of so-called "gender allies" in the process. The Ministry responsible for women and gender issues, where it exists, could explicitly take part in the consultations and development of a NEP. Thematic groups on gender and employment could be formed in the design phase of the NEP. The NEP could also include capacity building activities on gender and employment, and there could be gender budgeting.

In order to achieve gender equality in the context of employment, a NEP should:

- set measurable and time-bound gender sensitive employment targets;
- promote gender-smart labour market information systems ;
- promote an economic environment that provides new employment;
- create an appropriate legal, institutional and organizational environment for promoting equal

- opportunities for women and men to obtain decent work opportunities;
- open pathways to quality jobs.

Labour rights for all

Overview of international labour standards

Ms Lorraine Reiher, Consultant for the ILO's Office for Pacific Island Countries in Suva, led a virtual session that gave an overview of the issue of labour rights in the context of Palau. She emphasized in the beginning of her presentation that it is important to keep in mind key international Conventions from a policy and legislative perspective, also when developing a NEP.

The ILO has developed a system of international labour standards aimed at promoting decent work, which are backed by a supervisory system. International labour standards are either ILO Conventions or Recommendations. Conventions lay down basic principles to be implemented by ratifying countries. ILO's Conventions are international treaties that are drawn up by tripartite representatives and are adopted at the annual International Labour Conference. If ratified, Conventions are binding under international law. If not ratified, they influence national law and policy. Recommendations are not open to ratification - they have the same authority as Conventions and provide more detailed implementation guidelines.

There are 10 fundamental Conventions and 4 governance (or priority) Conventions. Palau ratified two ILO Conventions including:

- Worst Forms of Child Labour Convention, 1999 (No. 182)
- Maritime Labour Convention, 2006 (No. 186)

Ratification of an international convention is a formal commitment to give effect, both in law and in practice to the provisions of the Convention. A member that ratifies an ILO Convention has certain obligations, including the implementation and enforcement of the Convention in practice, as well as reporting obligations.

A policy such as the NEP is a declaration of priorities, plans and activities that guide decision making. A NEP can very well define the ratification or enforcement of a Convention as an activity, or the adoption of a legislation.

International labour standards do provide members some flexibility to tailor their own laws and policies to suit their own countries and labour markets

A snapshot of Palau's labour legislation

Ms Reiher proceeded by giving an overview of some of the existing labour legislation in Palau. She in particular referred to the Palau National Code Annotated (PNCA). She also mentioned Palau Maritime Regulations (PMR), which implement some provisions of Convention No 186 into national law. According to her, there is no regulation that fully implements the Conventions No. 182 and 186 or ILO's fundamental Conventions. Ms Reiher proceeded by referring to some of the new draft labour legislation that is currently being developed in Palau.

Finally, it was emphasized once more that it is upon Palau to tailor its labour laws to suit its labour market and to determine its NEP which outlines key priorities including a plan with timelines for implementation.

Promoting entrepreneurship and MSME development

What are the critical areas?

Mr Kelvin Sergeant, Enterprise Specialist at the ILO's Regional Office for Asia and the Pacific in Bangkok, gave a virtual session on the important role that entrepreneurship and MSME development play for employment creation. He emphasized that

entrepreneurship reflects a society's capacity for boldness, risk-taking and creativity and also highlighted the links to economic growth and innovation.

There exist a wide variety of challenges to MSME entrepreneurs, also touching issues of informality and entrepreneurship, as well as the policy and regulatory environment. The ILO's work to support enterprises aims to overcome these challenges and focuses on creating an enabling environment, developing entrepreneurship and business skills, increasing productivity and improving working conditions in MSMEs, improving access to financial services, and linking enterprises with ensuring social security and social protection floors. All these policy areas could also become part of a NEP.

Moreover, the ILO works to strengthen the knowledge base on and provides technical assistance to cooperatives and social enterprises. Moreover, the ILO promotes the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), and develops Enterprises and Green Initiatives, Green Enterprises and Green Jobs linked to climate. Mr. Sergeant highlighted the importance of data on enterprises in order to be able to design evidence-based policies and solutions. He also emphasized the importance of entrepreneurship for specific groups on the labour market, referring to women entrepreneurship and youth enterprises.

► Further information

Charles, Lorraine, Shuting Xia and Adam P. Coutts. 2022. *Digitalization and Employment A Review*, International Labour Organization, Geneva.

ILO. 2023. *ILO Emphasizes Demand Driven Approach in Palau* (9 March).

► List of participants

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- Meilin Chin, PNCC
- Meilan Chin, PNCC
- Jennifer Anastasi, MHHS (Nursing)
- Jocelyne L. Tonyokwe, MHHS (Nursing)
- Harline Haruo, PCC
- Ibuuch Tomoichi, MOE
- Havalei Reched, BCBP – Biosecurity
- Akemi Kaleb, BCBP – Biosecurity
- Mckinley Emesiochel, BCBP – Immigration
- Robert Tarkong, Customs
- Loi Kingto, BDA – MOS
- Marlene Theodore Ge, BCHP
- Sorella Smau, Division of ARFF
- Amormia Haruo, MPIO/ BOMT
- Mariah B Okada, PPUC
- Adeline Santos, PPUC
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- Morisang Udiu, PNSB
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- Carolyn Ngiraidis, PCOC
- Ray Marino, BOT
- Jerene Ngraikeleh, BOC
- Judy Otto, ADB
- Edward Anastacio, OOP/MOS Media
- Nikisha Smith, UN MCO
- Yohan Senarath, IOM
- Kiruu Kanai, Director of Youth & Career
- Raymond August
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- Portrafi Kesolei, IOM
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