



# Skills matching and labour mobility:

A policy position paper of the ASEAN  
Confederation of Employers

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## About ASEAN Confederation of Employers (ACE):

The ASEAN Confederation of Employers (ACE) was established in 1978 and represented by Employers' Organizations in ASEAN, to optimize liaison, co-operation and representation in the fields of labour and social legislation, industrial relations and practices.

The five founding members, Employers' Association of Indonesia (APINDO), Employers' Confederation of The Philippines (ECOP), Employers' Confederation of Thailand (ECOT), Malaysian Employers Federation (MEF), and Singapore National Employers Federation (SNEF), firmly supporting the fundamental objectives of ASEAN in its pursuits of effective measure for regional economic co-operation, declared their agreement to unite and establish the ASEAN Confederation of Employers. The Cambodian Federation of Employers and Business Associations (CAMFEBA) later became a member of ACE in 2004.

ACE is governed and administered by a Board of Directors consisting of a designated representative from each member. The President holds office for a period of two-years at which point it is rotated amongst the board members. Annual meetings for the Board and Chief Executive Officers take place. Overall ACE's objectives are to:

- safeguard and promote the interests of ASEAN employers;
- collate and disseminate information on legislative changes and general developments in the fields of labour, social and economic matters, which are likely to affect the interests of employers;
- foster closer relations and co-operation between and among the members, and to render mutual assistance in matters of common interest;
- maintain closer relations and co-operation with regional and international organizations having similar aims and objectives;
- promote harmonious industrial relations, help maintain peace, and encourage improved productivity; and
- coordinate the views of members and to represent their views at regional and international levels.

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## About International Labour Organization's Bureau for Employers' Activities:

The Bureau for Employers' Activities (ACT/EMP) is the specialized unit within the International Labour Office that maintains direct and close relationships with employers' organizations. Employers' organizations advance the collective interests of employers at country and regional levels. ACT/EMP assists employers' organizations with becoming strong representative organizations that help to shape conducive business environments.

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## About ILO Tripartite Action for the Protection and Promotion of Rights of Migrant Workers (ASEAN TRIANGLE Project):

The ASEAN TRIANGLE Project (ATP) was launched in April 2012 and aims to increase labour rights protection, labour mobility, and decent work opportunities for women and men migrant workers in the ASEAN Region. ATP promotes regional approaches to address shared concerns, makes regionalism more effective and enhances the capacity of institutions, such as the regional representative bodies of workers' and employers' organizations, in the ASEAN region. The ATP promotes close engagement with social partners on all aspects of migration management and one of its three objectives is to enhance the capacity of social partners to influence labour migration policy and protect the rights of women and men migrant workers.

# Overview

In recent years labour migration flows within and from South East Asia have grown in volume and complexity. According to the World Bank the stock of international migrants has been estimated at 247 million in 2013 and it is expected to surpass 250 million in 2015.<sup>1</sup> The number of migrant workers departing ASEAN countries each year is estimated to be over 14 million and the number of documented migrant workers within the region is close to six million.<sup>2</sup> Business and its representatives are key stakeholders in the migration process and it is imperative for national business communities across the ASEAN region to prepare for ASEAN Economic Community (AEC) in 2015.

In order to fully engage employers' organizations in the ASEAN processes on labour migration, an Action Plan was developed for the employers' component of the ASEAN Triangle Project (ATP). Overall the Action Plan entailed regional meetings, trainings, policy and research work undertaken with the main implementing partners ACE together with ten national employers' organizations: National Chamber of Commerce and Industry Brunei Darussalam; Cambodian Federation of Employers and Business Associations (CAMFEBA); Employers' Association of Indonesia (APINDO); Laos National Chamber of Commerce and Industry (LNCCI); Malaysian Employers Federation (MEF); Myanmar Federation of Chambers of Commerce and Industry (UMFCCI); Employers' Confederation of the Philippines (ECOP); Singapore National Employers Federation (SNEF); Employers' Confederation of Thailand (ECOT); Viet Nam Chamber of Commerce and Industry (VCCI). The activities aimed at strengthening the voice of employers, through ACE, at national and regional level policy discussions on labour migration. This three-year ATP programme with ACE was designed to have a relevant impact at regional level and has three main objectives:

1. To strengthen the capacity of ACE and its members to engage in effective policy dialogues based on empirical evidence to promote a sound governance framework for mobility and migration in the ASEAN region.
2. To strengthen the capacity of ACE to convene members around labour migration-related issues, in order to raise awareness and share good practices among them.
3. To develop regional guidelines and other tools and products that can be customized at the national level by employers' organizations into demand driven products that can practically assist enterprises.

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<sup>1</sup> The World Bank: *Migration and remittances: recent developments and outlook* (Washington DC, 2015)

<sup>2</sup> UNDP: *The right to health: The right to health for low-skilled labour migrants in the ASEAN countries* (Bangkok, 2015)

Five priority areas were identified by ACE in relation to labour migration and mobility with regional employers' workshops convened for each of them. These were:

- The role of employers' organizations in matching skills and increasing mobility across the ASEAN region – 6 November 2013, Bali, Indonesia
- Increasing productivity through enhancing the safety and health of migrant workers – 29 - 30 April 2014, Bangkok, Thailand
- The role of the recruitment sector in facilitating more effective ASEAN intra-regional labour mobility - 6-7 November 2014, Bangkok, Thailand
- Businesses' perspective on addressing forced labour in ASEAN migration – reputational risks and practical responses– 31 March – 1 April 2015, Bangkok, Thailand
- Managing diversity and workplace integration in the ASEAN countries – 2016

This publication presents the ACE policy position paper on **skills matching and labour mobility in the ASEAN Economic Community 2015** that was drafted, discussed and adapted during the regional workshop. A background paper that was used for the meeting can be found in the accompanying publication *Managing labour mobility: Opportunities and challenges for employers in the ASEAN region*. Through presentations by regional and global experts and open discussion between ASEAN employers, the workshop focused on:

- recruiting skilled labour in ASEAN – current practices and the future;
- the role of employers' organizations in facilitating increased mobility and improving skills recognition; and
- the role of employers in developing National and Regional Skills Policy Frameworks.

# ACE policy position paper: Skills matching and labour mobility in the ASEAN Economic Community 2015

## Background

In preparation for ASEAN economic integration in 2015 the ASEAN Confederation of Employers (ACE) adopted an Employers' policy framework for sustainable labour migration in the ASEAN region. In this framework ACE identifies five key areas requiring the attention of ASEAN businesses and policymakers in order to achieve effective labour mobility in 2015 and beyond:

- better matching of workers' skills and employers' labour demands;
- increasing productivity and migrant workers' safety and health at the workplace;
- effective recruitment procedures to facilitate labour migration;
- enhancing competitiveness through embracing diversity; and
- a commitment to combating forced labour and human trafficking.

In this overarching framework:

- ACE **recognizes** that the right balance of skills and competencies is crucial for effectively competing in the knowledge economy. Enhanced labour mobility will therefore be critical in meeting current and future labour market needs.
- ACE **welcomes and supports** the free flow of skilled labour as outlined in the ASEAN Economic Community (AEC) Blueprint and concluded through business-related Mutual Recognition Agreements (MRAs). MRAs represent a major facilitating instrument for building and furthering skilled labour mobility by providing a greater human resource base with improved employment opportunities.
- ACE **believes** that the involvement of ASEAN employers in identifying and responding to current and future skills shortages and surpluses will be essential in formulating effective labour market and labour mobility policies and in addressing current and future challenges.

This paper will outline in broader detail ACE's policy positions on skills matching and labour mobility in the AEC to be taken forward by ACE members when engaging national policy-makers on the necessary reforms, policies, and programmes, required for effective integration in 2015.

# ACE policy positions on skills matching and labour mobility in the AEC 2015

## Employers' organizations and skills development policy

- ACE **considers** that employers' organizations should lead skills development policy. EOs are best placed to assess skills demand through their membership networks and to advocate policy options to meet current and forecasted demand.
- Furthermore ACE **considers** that employers' organizations have a uniquely central role in being able to educate and mobilize their membership bases to pursue the necessary skills and labour mobility reform at the regional, national, and enterprise levels. In particular, ACE **recognizes** the high potential for collaboration with sectoral organizations on increasing the portability of skills and the mobility of skilled workers.
- To ensure employers take a lead role in developing skills policy agenda ACE **strongly encourages employers' organizations** and their members to base their recommendations and policy proposals on accurate, up to date, and empirically based evidence. ACE **considers** it imperative that employers take action to improve their evidence bases for AEC skills policy proposals.

## Skills recognition and competency measures

- Acknowledging the benefits of enhanced skills recognition in the ASEAN region, ACE **emphasizes** the need for skills recognition mechanisms to be linked to competency measures.
- ACE **believes** that more robust competency measures in skills recognition processes will ensure the right people are placed in the right job at the right time. In addition competency measures will reduce the disproportionate incidence of formally skilled workers participating in low skilled transactional occupations.

## Soft skills and employability

ACE **recognizes** that current deficits in soft skills such as leadership, communication (particularly English proficiency), inter alia, adversely affects the potential for skilled labour mobility in the region. ACE therefore **encourages** employers' organizations to collaborate with members, training institutions, and other partners to ensure that ASEAN workers have the right combination of formal and soft skills to meet employers' needs in the AEC.

ACE **encourages** employers' organizations to work with their members to better define their workforce needs in terms of formal and job-specific requirements to assist the process of placing the right worker at the right time.

## **Increasing the supply of skilled workers through upskilling**

ACE **envisions** that more workers will be able to formally participate in an integrated ASEAN economy if workers had the opportunity to upgrade these skills. There is also high potential for a significant productivity dividend in certain sectors.

ACE **believes** that employers' organizations and their members are well placed to initiate training at the enterprise level as part of this process. ACE **encourages** partnerships with sectoral organizations and governments to facilitate skills upgrading of workers. In addition policy frameworks should have consideration of workers' capacity to effectively participate in skills upgrading, particularly in terms of language and information and communication technology skills.

# Skills matching and labour mobility: A policy position paper of the ASEAN Confederation of Employers

This publication presents the ASEAN Confederation of Employers policy position paper on skills matching and mobility migrant workers in ASEAN countries. This document was agreed upon and drafted as a result of a technical workshop on skills matching and mobility in the ASEAN countries held for the employers' component of the ASEAN TRIANGLE project on 6 November 2013.

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