

# ► Unemployment benefits in Asia

## Regional training

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## ► Session 1

Overview of unemployment insurance in Asia and international labour standards

## [Un]employment insurance (year of establishment / payment)

Japan	(1947/1947)	India	(2005/...)
China	(1986/1987)	Viet Nam	(2006/2009)
Iran	(1987/...)	Myanmar	(2012/not yet)
Korea	(1993/1995)	Malaysia	(2017/2018)
Mongolia	(1994/...)	Philippines	(2018/2019)
Lao PDR	(1999/2001)	Indonesia	(2020/2022)
Thailand	(1990/2004)		

## Available schemes in Asia and the Pacific

### Contributory scheme – [Un]employment insurance (11)

China, Korea, India, Lao PDR, Iran, Mongolia, Viet Nam, Myanmar, Philippines, Malaysia

### Non-contributory scheme – Unemployment assistance (2)

Australia, New Zealand

### Mixed scheme – subsidy to unemployment insurance (3)

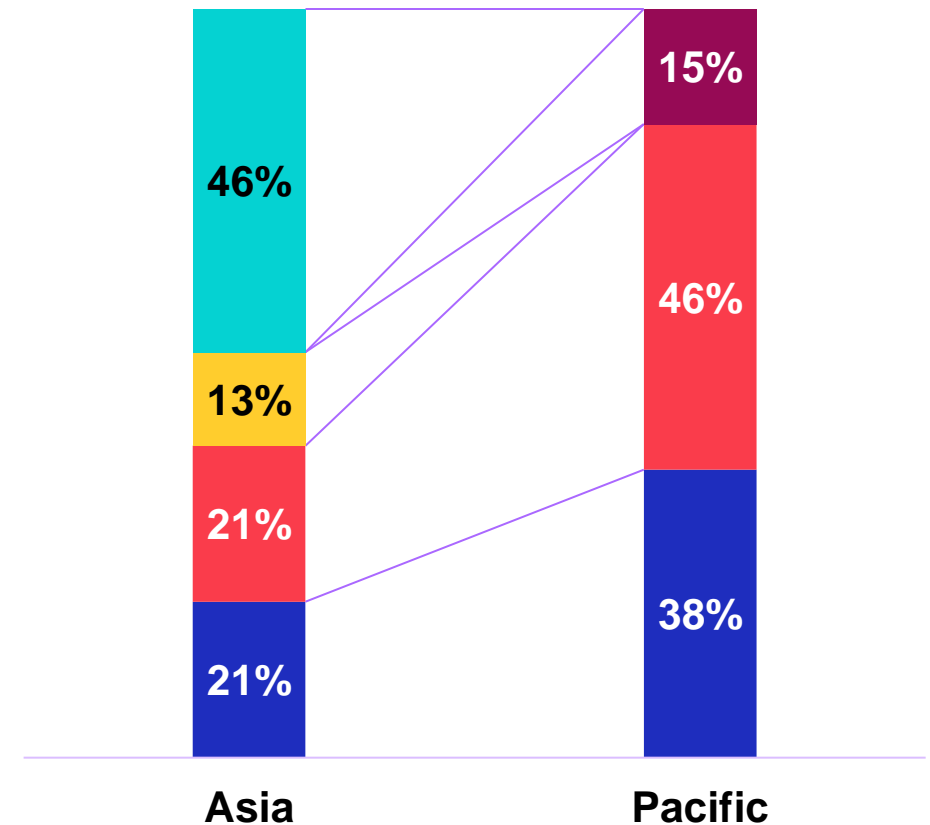
Japan, Indonesia, Thailand

### Employers' liabilities – severance pay (11)

Fiji, Nepal, Cambodia, Bangladesh, Kiribati, Pakistan, Solomon Islands, Sri Lanka, Vanuatu, Papua New Guinea, Tuvalu

### No statutory unemployment benefits (10)

Afghanistan, Bhutan, Brunei, Cook Islands, Marshal Islands, Palau, Samoa, Singapore, Timor-Leste, Tonga, Maldives



## International labour standards on unemployment benefits

**C102**

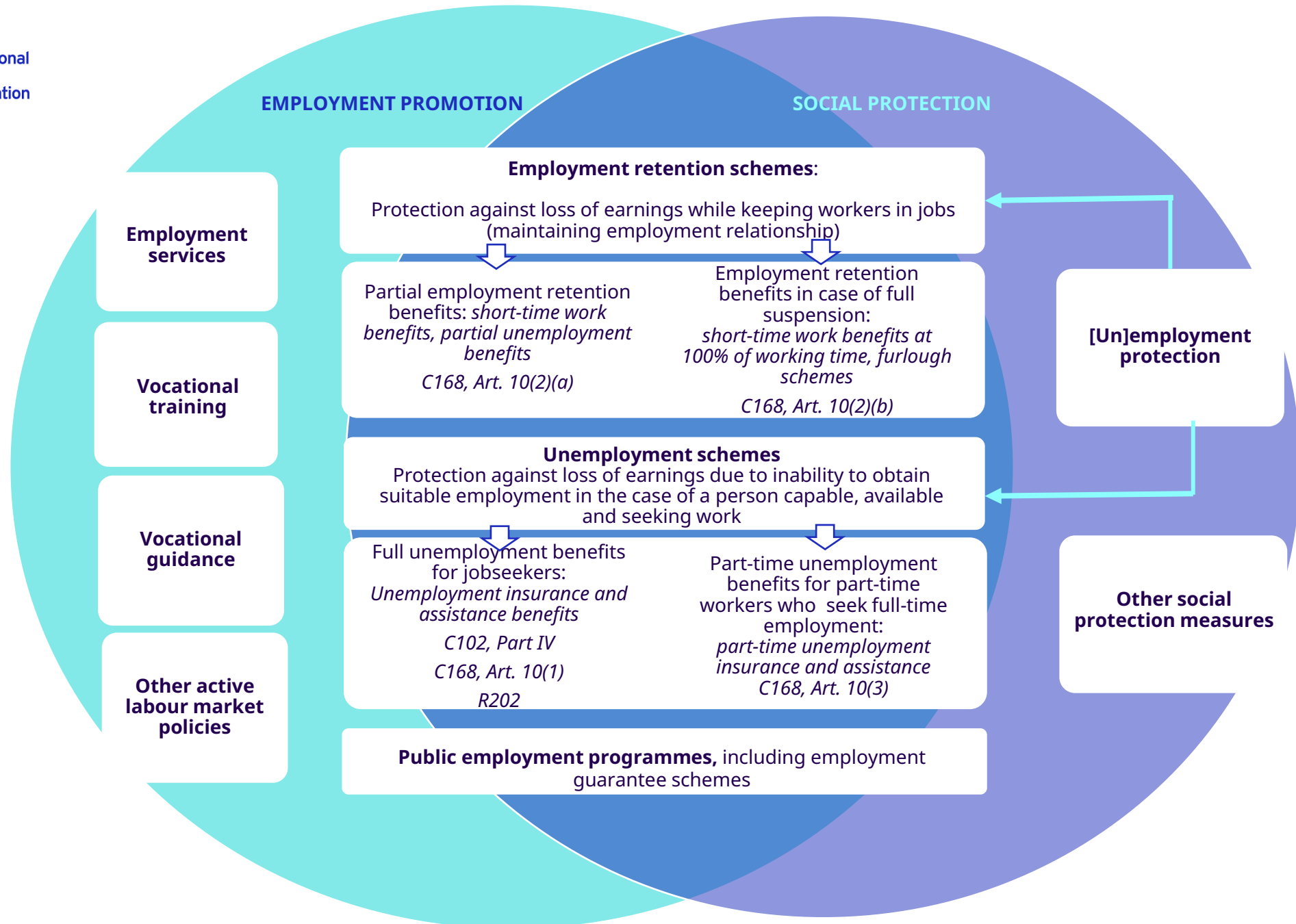
- Convention concerning Minimum Standards of Social Security, 1952 (Part IV – Unemployment Benefit)

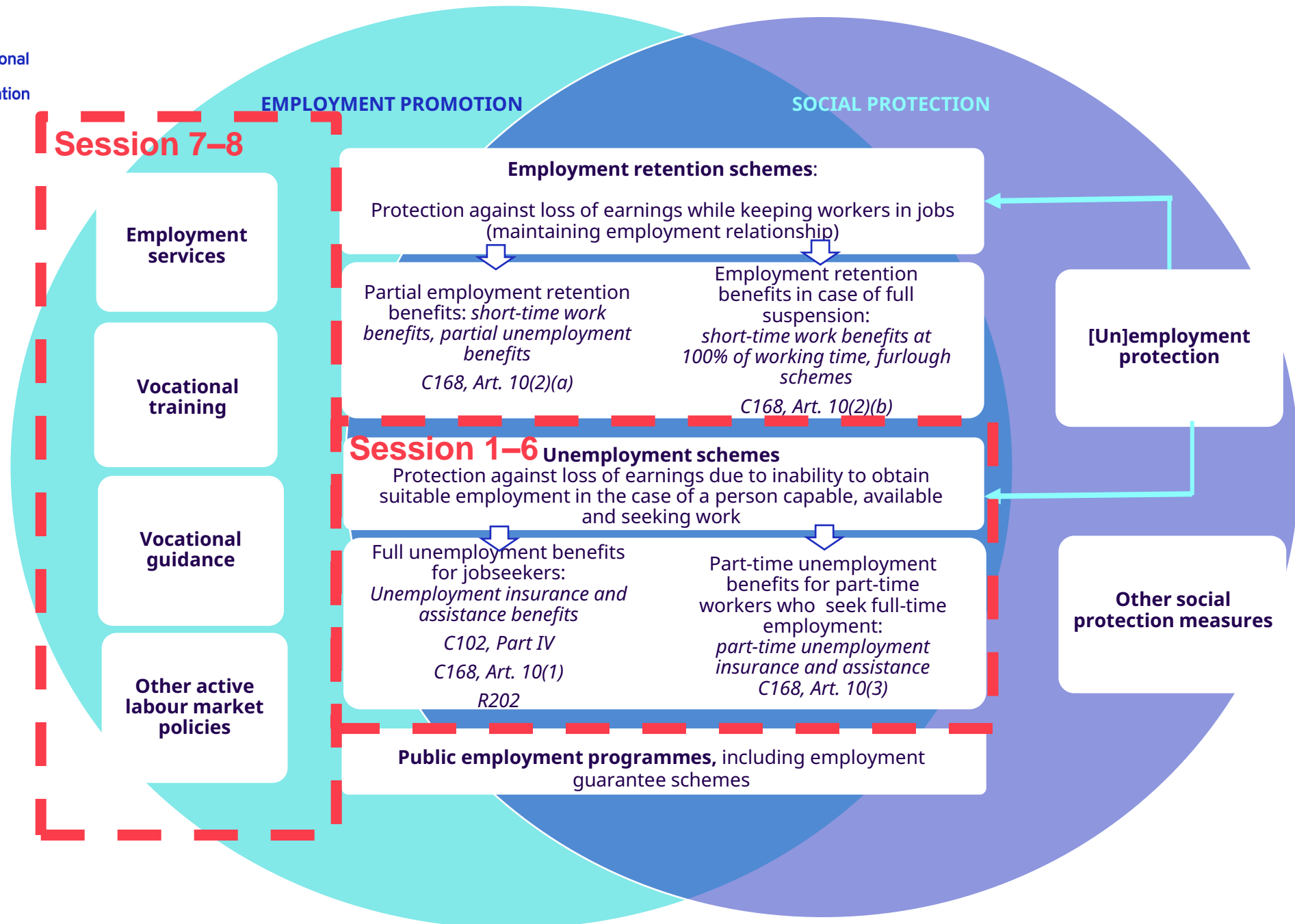
**C168**

- Convention concerning Employment Promotion and Protection against Unemployment, 1988

**R176**

- Employment Promotion and Protection against Unemployment Recommendation, 1988





# ► **Benefit formula, levels, reference earnings**



Country	Formula	Replacement rate	Reference earnings (AME)
ILS	Periodical	C102: 45%; C168: 50%	Previous earnings
Korea	Constant	60%	Last 3 months
Lao PDR		60%	Last 6 months
Viet Nam		60%	Last 6 months
Thailand		50% (30%:voluntary or expiry of contract)	Highest paid 3 months in the last 15 months
Myanmar	Constant (marital status)	50 – 55%	Last 12 months
Malaysia	Tapered with longer benefit duration	80 – 30%	Last 6 months
Indonesia		45 – 25%	Last earning
India		50 – 25%	Last 4 months
Japan	Tapered for higher earners	80 – 50%	Last 6 months
Mongolia	Increased for longer contribution periods	50 – 70%	Last 9 months
China	Flat-rate amount	Local public assistance benefit < x < Local minimum wage	Not applicable
Philippines	Lump-sum	50%	Highest semester AME of last 60 months or career average earnings (whichever is greater)

# ► **Benefit duration**

## Involuntary termination

Country	Determinants	Maximum duration	Minimum requirements
ILS	C102: <b>13</b> weeks within 12 months; C168: <b>26</b> weeks in each spell of unemployment or <b>39</b> weeks over any period of 24 months		Not be longer than what is considered necessary to prevent abuse
India	Years of contributions (constant)	24 months	24 months
Indonesia		6 months	12 months in the last 24 months, including 6 consecutive months
Mongolia		76 working days (approx. 4 months)	24 months, including the last 9 consecutive months prior to unemployment
Philippines		Lump-sum (equivalent to 2 months)	36 months in total, including 12 months in the last 18 months
Thailand		6 months	6 months in the last 15 months
China	Years of contributions (extending duration)	12–24 months	12 months
Lao PDR		3–12 months	12 months in the last 24 months
Malaysia		3–6 months	12 months in the last 24 months
Myanmar		2–6 months	36 months
Viet Nam		3–12 months	12 months in the last 24 months*
Japan	Age & Years of contributions & Disability	3–11 months	6 months in the last 12 months
Korea		4–9 months	6 months in the last 18 months

\*For seasonal workers, 12 months in the last 36 months

# ► **Waiting period**

Country	Waiting period
ILS	C102 & C168: No longer than 7 days
China	No waiting period
India	No waiting period
Indonesia	No waiting period
Mongolia	No waiting period
Myanmar	No waiting period
Philippines	No waiting period
Japan	7 days
Korea	7 days
Malaysia	7 days
Thailand	7 days
Viet Nam	15 days
Lao PDR	30 days

# ► Finance

Country	Employee	Employer	Government	Total	Financing other benefits
<b>ILS (C102)</b>	Employee's CR should not exceed 50% of the financial resources allocated. Periodical actuarial studies				
<b>Malaysia</b>	0.2%	0.2%	-	0.4%	-
<b>Indonesia</b>	-	0.24%	0.22%	0.46%	-
<b>Japan</b>	0.3%	0.3%	2.5% of benefit	0.6% + subsidy <sup>2</sup>	Child/Family care leave allowance
<b>Mongolia</b>	0.2%	0.5%	-	0.7%	Childcare leave
<b>Thailand</b>	0.5%	0.5%	0.25%	1.25%	-
<b>Korea</b>	0.9%	0.9%	-	1.8%	Maternity/Parental leave allowance
<b>Lao PDR</b>	1.0%	1.0%	-	2.0%	-
<b>Myanmar</b>	1.0%	1.0%	-	2.0%	-
<b>Viet Nam</b>	1.0%	1.0%	-	2.0%	-
<b>China</b>	Up to 1.0%	Up to 2.0% (temporarily, 1%)	-	Up to 3.0% <sup>1</sup> (temporarily, 1%)	Medical insurance contributions during the benefit period
<b>India</b>	1.75%	4.75	-	6.5%	Sickness, maternity, disability benefits etc.
<b>Philippines</b>	4.5% (5%, 2025)	9.5% (10%, 2025)	-	14% (15%,2025)	Pension

<sup>1</sup>Local governments decide CRs up to the threshold. <sup>2</sup>Higher CRs for agriculture, forestry, fishery and construction sectors.

# ► **Policy gap?**

## Treatment of voluntary resignation without good reasons



	No penalty	Longer waiting period	Shorter duration	Lower benefit	No benefit
China					O
India					O
Indonesia					O
Japan		O (1 month)	O		
Korea					O*
Lao PDR					O
Malaysia					O
Mongolia					O
Myanmar					O
Philippines					O*
Thailand			O (3 months instead of 6 months)	O (30% instead of 50%)	
Viet Nam	O				

How do you treat these cases? (i.e. C168)

- **Voluntary resignation with just cause** (e.g. physical incapacity, childcare, family reasons, relocation etc.)
- **Forced resignation** (e.g. employer's misconduct, dangerous working environments, excessive wage cut etc.)
- **Expiry of fixed-term contracts** (i.e. Thailand, Viet Nam: Yes; Malaysia, Indonesia: No; China, Japan: Case by case etc.)

\*Voluntary unemployed workers can receive benefits under special conditions including move to long distance because of business move or special family circumstances

# ► **Policy gap?**

## Entitlement to other social security benefits

## ► International labour standards (C168)

### Benefits

- Medical care to unemployed persons and their dependents

### Acquisition of the right to other social security benefits

- Invalidity, old-age and survivors' benefit
- Sickness benefit
- Maternity benefit
- Family benefit

▶ **THANK YOU**