

Chapter 1

A healthy, protected and productive workforce built around people-centred development

With less than eight years of the 2030 Agenda for Sustainable Development remaining, the outlook for achieving the Sustainable Development Goals in the Asian and Pacific region is bleak. Asia and the Pacific is not on track to reach any of the 17 Sustainable Development Goals and the region is expected to achieve only 9 out of 104 indicators that underpin the SDGs by 2030.¹ Focusing on the 112 targets that relate to the social dimension of the Sustainable Development Goals, which range from access to basic services (target 1.4) to full employment and decent work (target 8.5), only six are expected to be achieved by 2030 at the current pace of change.² Millions of people are still being left behind and poverty, inequality and vulnerability threaten our social fabric.

To reverse this trend and accelerate progress towards sustainable development in all its dimensions, the region needs a healthy, protected and productive workforce. The effective participation of the working-age population in the labour force is a precondition for economic growth, competitiveness and sustainable development. In Asia and the Pacific, the working-age population constitutes on average two thirds of the total population. The region accounts for more than half of the global labour force.³ The workforce is a driver of economic growth that generates goods and services as well as tax revenues and workers contribute directly to the wellbeing of family members and society as a whole. For every two working-age people, there is on average one dependent person in Asia and the Pacific.⁴

The workforce in Asia and the Pacific is not sufficiently healthy, protected or productive. While some progress towards the Sustainable Development Goals has been observed since 2015, none of the targets related to a healthy, protected and productive workforce are expected to be achieved by 2030 if current rate of progress

is maintained. Close to two in three workers lack decent employment opportunities, with women and youth being disproportionately distant from sustainable livelihoods (Goal 8).⁵ More than half of all people in the region are excluded from any form of social protection (Goal 1), and almost one in five risk facing catastrophic out-of-pocket health expenditures (Goal 3).⁶ Groups of people with certain demographic and socioeconomic backgrounds such as the bottom 40 per cent of the income or wealth distribution, those with lower education, women, persons with disabilities and rural residents are at highest risk of being excluded from mainstream development, spotlighting the pressing need to reach those who are furthest behind.



The workforce is not productive

With limited access to decent employment, the workforce in Asia and the Pacific faces substantial challenges. Access to decent jobs promotes productivity, provides social protection, offers stability of work as well as adequate earnings. Despite notable progress in recent years, the majority of workers in the region are still found in informal jobs with 68 per cent on average employed informally.⁷ Working poverty persists in many countries, particularly in South and South-West Asia, South-East Asia and the Pacific. Left with insufficient earnings to meet basic needs, around half of the workforce is poor or on the verge of poverty, surviving on just \$5.5 a day (figure 1.1). This leaves the majority of workers extremely vulnerable to systemic shocks like the COVID-19 pandemic or normal life cycle contingencies.⁸ Only 14 per cent of the unemployed across the region receive unemployment benefits and more than half of all workers have no income security when they fall sick.⁹

1 United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (2022). *Asia and the Pacific SDG Progress Report 2022: Widening disparities amid COVID-19*. ESCAP, Bangkok.

2 Out of the 169 targets under the SDGs, there are 112 targets that are closely related to social development. These targets belong to SDGs 1–11 and SDG 16.

3 World Bank estimates used for average working-age ratio in Asia-Pacific; ILO projections used for labour force ratio of Asia-Pacific compared to other regions in the world. The Asia-Pacific average is similar to that of Latin America and the Caribbean.

4 World Bank estimates, based on age distributions of United Nations Population Division's *World Population Prospects: 2019 Revision*.

5 International Labour Office (ILO) (2020). *Asia-Pacific Employment and Social Outlook 2020: Navigating the crisis towards a human centred future of work. Decent employment proxied by formality of employment*. ILO, Bangkok.

6 International Labour Office, World Social Protection Database. Available at <https://www.social-protection.org/gimi/WSPDB.action?id=32> (accessed on 29 March 29, 2022).

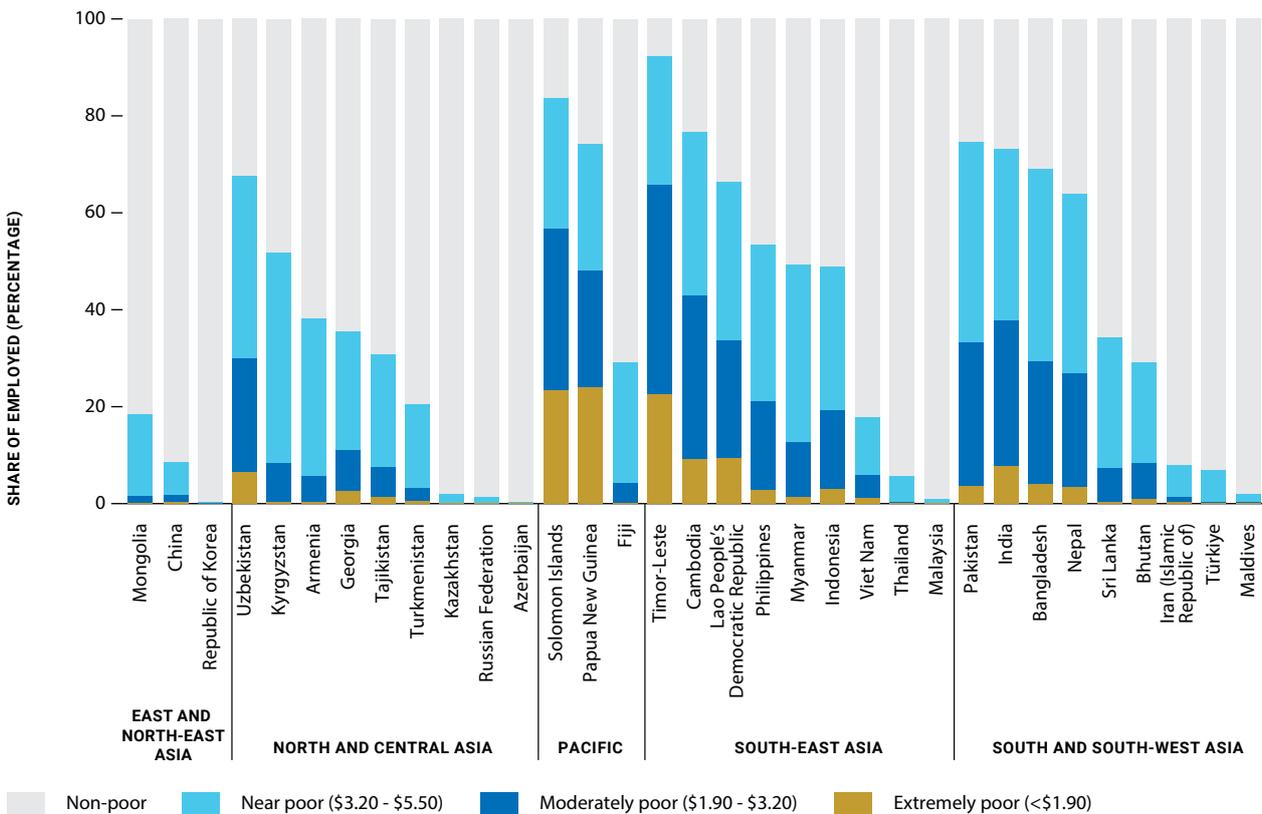
7 International Labour Office (ILO) (2020). *Asia-Pacific Employment and Social Outlook 2020: Navigating the crisis towards a human centred future of work*.

8 Author's calculations based on ILO Stat accessed in January 2022 through www.ilo.org/data.

9 International Labour Office (ILO) (2022). *Extending social health protection: Accelerating progress toward universal health coverage in Asia and the Pacific*.

FIGURE 1.1 Working poverty is prevalent throughout the Asia-Pacific region

Share of workforce classified as extreme, moderate and near poor in 2021



Source: ILO (2022), ILOSTAT. Available at www.ilo.org (accessed on 17 March 2022).

Note: ILO modelled estimates are presented for 33 countries in 2021. The disaggregation of poverty within the workforce follows the three international poverty lines corresponding to income levels of countries. While extreme poverty is more applicable to low-income developing countries, moderate poverty is more relevant for lower and upper-middle-income countries. The last threshold applies to higher income countries. Subregional grouping in figure 1.1 follows ESCAP subregional classifications.

The workforce is exposed to life cycle contingencies as well as systemic shocks and this impedes sustainable growth. Decent work is necessary to provide an adequate standard of living, reduce poverty and inequality, and protect people from normal life contingencies. The advantages of decent employment reach far beyond individual gains. For most workers in the formal sector, it is through work they contribute to social protection and health care benefits for themselves and their families. Increasing the share of workers in decent employment also supports the wellbeing of people outside the family and reduces the pressure on non-contributory social protection schemes. Currently, lower educational attainment as well as high prevalence of jobs at lower and middle broad skill levels in the region pose challenges to accessing decent work for the majority of the workforce, especially in the face of climate change, digitalization and ageing societies.

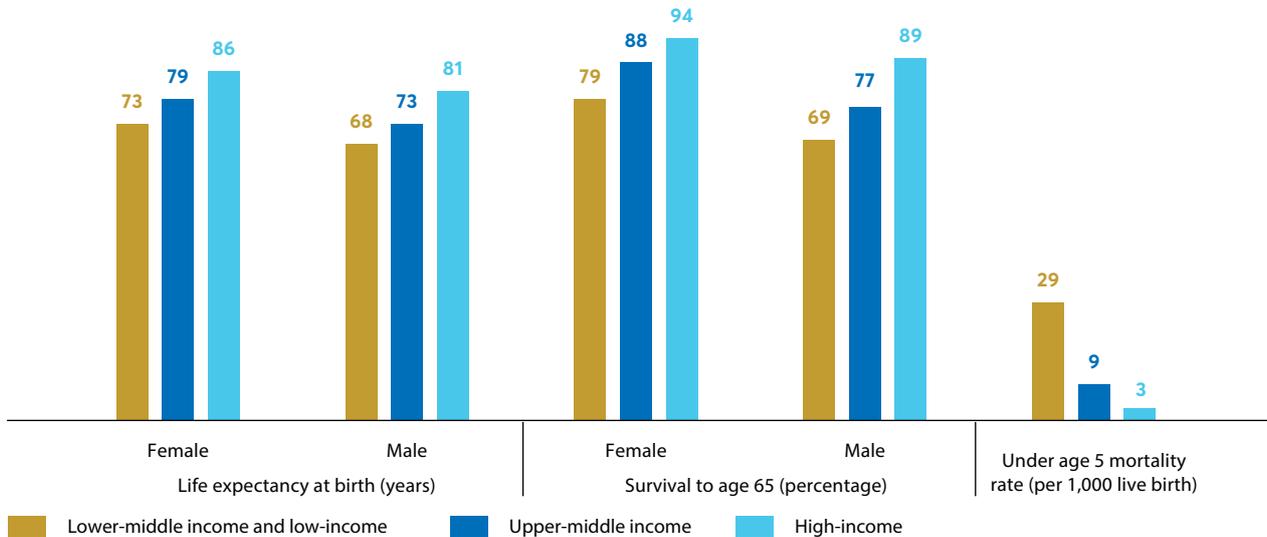
The workforce is not healthy

The poor health of people in Asia and the Pacific carries dire ramifications for its future workforce. On average, people in low- and lower-middle income countries in the region are expected to die 13 years earlier than people in high income countries (figure 1.2). While over 90 per cent of people in high-income countries are expected to live beyond the age 65, this figure drops below 75 per cent in low- and lower-middle income countries. Child mortality is almost 10 times lower in high-income countries than in low- and lower-middle income countries. High child mortality attrits future labour force and has negative long-term impact on economic output, including by lowering investments in children's human and physical capital formation.¹⁰ The health of children has direct implications on the education level, skill profile, chances of finding a decent job

10 World Health Organization (WHO) (2009). *WHO guide to identifying the economic consequences of disease and injury*. WHO, Geneva.

FIGURE 1.2 Today's health status is closely linked to a country's development and impacts current and future workforce

Selected health outcomes by sex and level of income in Asia-Pacific, 2018



Source: OECD (2020). Health at a Glance in Asia-Pacific.

Note: Data are available for 27 countries in the Asia-Pacific region in 2018 with sex disaggregation. Income groups follow OECD-WHO classification.

and the productivity of the future workforce; with direct implications for future economic outputs of goods and services and tax revenues.

current and future workforce. It can also exacerbate poverty at the individual level and hinder economic growth and development at the national level.

With only a handful of Asian and Pacific countries providing universal health coverage, the region hosts the highest number of people around the world who could be impoverished due to out-of-pocket health spending. In 2017, over 16 per cent of people in Asia had household spending on health greater than 10 per cent of total household budget, a critical threshold for catastrophic out-of-pocket expenditures (SDG 3.8.2). The region is behind Africa and Latin America and the Caribbean where less than 10 per cent of the total population is exposed to impoverishment from health spending. Latest estimates from the World Health Organization (WHO) show that over 50 million people in the Asia-Pacific region were pushed into extreme poverty and over 90 million people into moderate poverty in 2017 as a result of out-of-pocket health expenditures. In some countries across the region, such as Afghanistan, Armenia, Bangladesh, China and Georgia, over 20 per cent of the population is exposed to catastrophic out-of-pocket expenditures.¹¹ The inaccessibility of health care as a result of high out-of-pocket payments increases the likelihood of sickness absenteeism and undermines the productivity and output of the

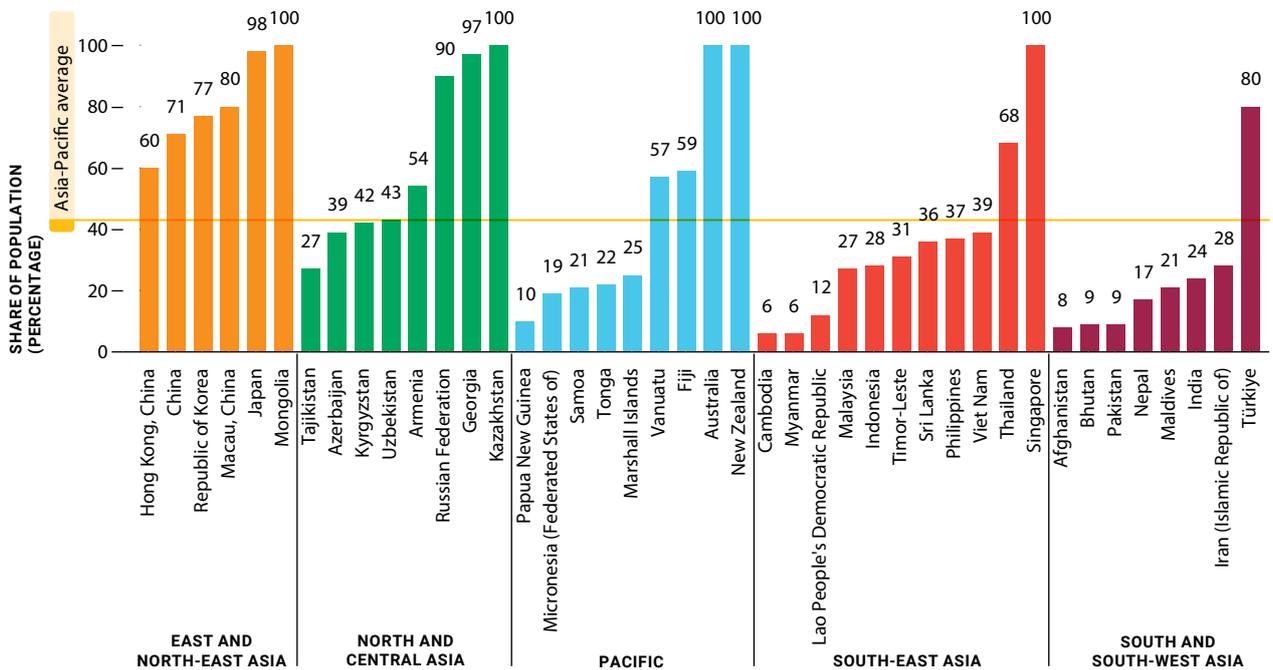
 **The workforce is not protected**

Less than half of the population in the region has access to a social protection scheme. Excluding China, the coverage falls to one third of the population (figure 1.3). Significant underinvestment in social protection, absence of schemes and high labour-market informality are key reasons for the social protection deficit. When schemes do exist, benefits levels are often too low to have a real impact. The low political commitment to step up investment in people means that social protection is reduced to a marginal area of public policy in most parts of the region. For social protection to fulfil its potential and support more inclusive, resilient and sustainable socioeconomic development, existing architectures need to be improved. This could be facilitated by a renewed social contract that strengthens public trust in governments' ability to extend social protection, with the private sector and the working-age population fulfilling their responsibilities in return.

11 World Health Organization (WHO) (2022). The Global Health Observatory.

FIGURE 1.3 Less than half of Asia-Pacific’s population is covered by at least one social protection scheme

Share of population covered by at least one social protection scheme, 2020



Source: ILO (2020), World Social Protection Database. Available at <https://www.social-protection.org/gimi/WSPDB.action?id=32>.

Note: Data are available for 45 countries across the Asia-Pacific region on percentage of population (population weighted averages), latest available year grouped by ESCAP subregional classification.

An indication of the social protection deficit in the region is the rising level of poverty and the number of people facing a food crisis. It is estimated that the COVID-19 pandemic pushed some 85 million people into extreme poverty, below \$1.9 per day. The number of people in moderate poverty, at \$3.2 a day, is estimated to have increased by 158 million.¹² South Asia has been particularly hard hit with 49 million people falling back into extreme poverty.¹³ The *Global Report on Food Crises 2022* estimated that in South Asia alone close to 29 million people suffered from acute food and livelihood crisis in 2021, twice as many as in 2020. South Asian countries that are reliant on wheat imports from Ukraine and the Russian Federation are likely to suffer further due to the ongoing war in Ukraine.¹⁴

High shares of people in vulnerable situations pose a grave threat to the productivity of the current and future workforce. Based on data from 26 countries in the region, the World Values Survey reveals that

almost half of all people had gone without cash income during the past 12 months prior to the COVID-19 pandemic and current conflict (figure 1.4). More than one quarter had gone without enough food to eat and over one third had gone without medicine or treatment when they needed it. The situation is worse among the unemployed. Individuals who are unemployed are on average about 10 per cent more likely to have experienced at least one of these shortages than those employed. Experiencing such shortages does not only cripple the productivity of the current workforce but that of the future workforce. When people are faced with these shortages during particular stages in life such as childhood or pregnancy, it could cause loss in human and physical capital and ultimately labour productivity. In Asia and the Pacific, labour productivity has already fallen behind the world average. Failure to address this gap risks creating a vicious cycle of widening inequalities in outcomes and opportunities across the region.

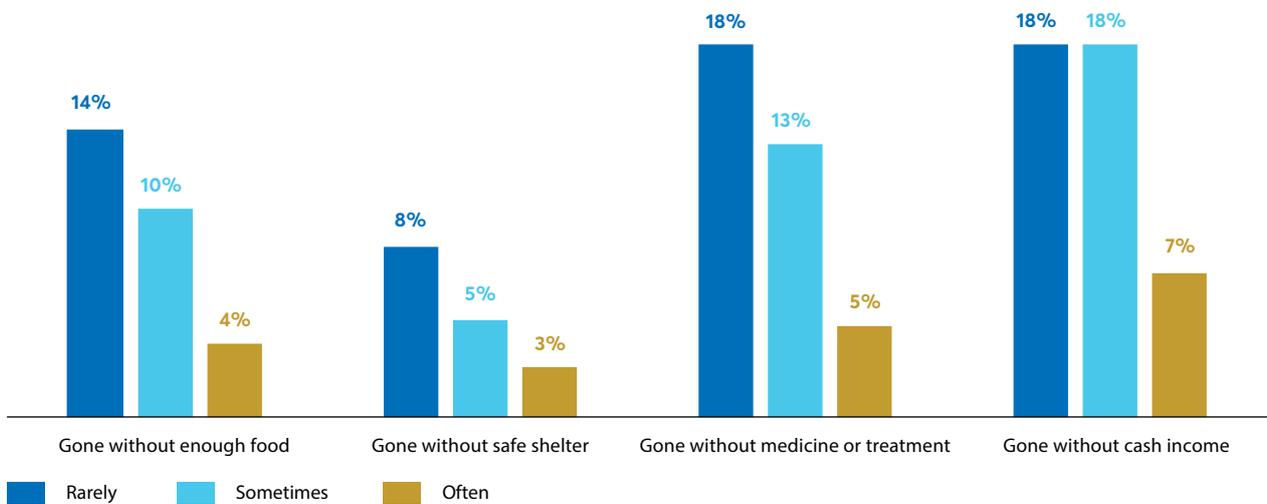
12 United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (2022). *Economic and Social Survey of Asia and the Pacific (2022): Towards post-COVID-19 resilient economies*. ESCAP, Bangkok.

13 World Bank (2020). *Monitoring Global Poverty, Poverty and Shared Prosperity 2020: Reversals of Fortune*. World Bank, Washington D.C.

14 Food Security Information Network (FSIN) (2022). *Global Report on Food Crises 2022: Joint Analysis For Better Decisions*.

FIGURE 1.4 A high share of vulnerability indicates a social protection deficit

Share of total population in the Asia-Pacific region having gone without basic needs in the past 12 months (2017–2020)



Source: WVSA (2022). World Values Survey, Wave 7. Available at <https://www.worldvaluessurvey.org/> (accessed in January 2022).
 Note: Data are available for 26 countries in 2017–2020 period across the Asia-Pacific region. Weighted averages are presented in all 26 countries across Asia and the Pacific.

The workforce is vulnerable to megatrends

Still grappling with poverty and vulnerabilities exacerbated by the pandemic, the region's workforce is vulnerable to ongoing and emerging megatrends. The workforce has been directly affected by the pandemic and the livelihoods of a substantial portion have not yet recovered. Millions of people lost their jobs and informal workers fell through the cracks of government support systems. This leaves a majority of the workforce trapped in a cycle of uncertainty and vulnerability, unable to invest in building a more secure and productive future. Even as the region slowly starts to recover from the economic impact of the pandemic, the workforce continues to be exposed and unprepared to face looming megatrends such as climate change, population ageing and digitalization.

Asia and the Pacific is highly exposed to climate-induced natural disasters, and its workforce is not ready to cope with the green transition underway.

Eight of the ten most disaster-prone countries in the world are found in Asia and the Pacific.¹⁵ In the absence of comprehensive adaptation and mitigation measures, the region is more exposed to physical climate risk than any other part of the world.¹⁶ ESCAP's analysis reveals that at the business-as-usual rate, the number of people at high risk will soar to around one third of the population of Asia and the Pacific.¹⁷ Natural disasters cause particularly severe damage to small businesses and have adverse welfare consequences for workers due to sudden sectoral reallocation and job losses.¹⁸ Climate change may push those in vulnerable situations into poverty, while global and national policies introduced to slow down the climate change could potentially marginalize lower-skilled workers. As countries introduce measures to green their economies such as sustainable agricultural practices or the provision of stronger incentives to circular businesses, major shifts are expected in the demand for labour. The ability of the workforce to respond to these shifts will partly depend on its level of human capital.

15 United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (2021), *Asia-Pacific Disaster Report 2021: Resilience in a Riskier World*. ESCAP, Bangkok.

16 McKinsey Global Institute (2020). *Climate risk and response in Asia (2020)*. McKinsey Global Institute.

17 United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (2021), *Asia-Pacific Disaster Report 2021: Resilience in a Riskier World*. ESCAP, Bangkok.

18 Martina Kircherberg (2017). Natural disasters and labor markets, *Journal of Development Economics*, vol. 125, pp. 40–58.

Digital technologies offer numerous opportunities for societies but they also risk leaving many people behind.¹⁹ Digital technologies are accelerating the pace of globalization, transforming labour markets and redefining societal structures.²⁰ While digital technologies can promote decent and highly productive jobs and facilitate the workforce's transition to formal economy, the benefits of digital technologies are not shared equally. Inequalities in access to digital technologies can intensify inequalities in income and wealth. In the region, less than two thirds of the population uses the Internet, while among developed countries globally, the average is 90 per cent. At regional level, the digital divide is narrowing between men and women but the gap remains wide between youth and older persons and urban and rural residents.

Analysis by ESCAP indicates that there is wide variation across countries in the region in Internet usage.²¹ In 2019, for instance, the gap between the furthest behind groups and furthest ahead groups was staggeringly high. In Kiribati and Nepal, Internet usage in the groups furthest behind²² was 13 per cent and 5 per cent respectively, compared to 85 per cent and 76 per cent in the groups furthest ahead. There is a substantial gap between persons with and without disabilities in the use of the Internet, as high as 30 percentage points in some countries.²³ Digitalization does not automatically create decent jobs. Emergence of digital platforms has given rise to unregulated and informal job markets, underlining the importance of regulations that ensure that all workers' rights are recognized and enforced.²⁴

The region is ageing at an unprecedented pace, underscoring the importance of anticipant policies to ensure healthy ageing of all and promotion of employment of older workers. According to the World Health Organization (WHO), healthy ageing is a process that builds the functional ability

needed to ensure wellbeing in older age.²⁵ The population of older persons aged 65 and over in the region increased from 171 million in 1990 to 445 million in 2021 and is projected to more than double by 2050 to over 1 billion.²⁶ This trajectory will significantly raise the median age of the total population from 32.5 in 2020 and to 40.3 in 2050 with a similar upward shift in the median age of the labour force.²⁷ As populations age, fewer people in the workforce have to support more people outside the workforce. Between 2015 and 2050, the number of persons 65 and older as a proportion of the working-age population is estimated to rise in all countries in the Asia-Pacific region except Timor-Leste.²⁸ It therefore becomes increasingly important to expand the range of decent employment opportunities for older workers and support them to remain productive and in full health through a healthcare system that meets the needs of older persons. This will provide income security in older age, increase labour supply in the market and tax bases for governments, and bolster economic growth.

Climate change, population ageing and digitalization will have profound implications on the current and future workforce. A global transition towards a greener economy and the whirlwind adoption of digital technologies will open a multitude of opportunities for people across the region. However, this requires sufficient preparation and inclusive policies. A just transition for the workforce requires adequate support for the current and future workers to equip them with the skills requisite to meet the shifting demand in the job market. Active Labour Market Policies (ALMPs) such as lifelong learning programmes, in combination with adequate social protection systems, can facilitate the upgrading of skills and the continued participation of productive older workers in full health.

19 United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (2018). *Inequality in Asia and the Pacific in the era of the 2030 Agenda for Sustainable Development*. ESCAP, Bangkok.

20 United Nations (UN) (2018). *Promoting Inclusion through Social Protection. Report on the World Social Situation 2018*. UN, New York.

21 United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (2020). LNOB Platform. ESCAP.

22 In both countries, the furthest behind groups include people from the bottom 40 per cent of the wealth distribution, with lower education and aged over 25. The furthest ahead groups include people from the top 60 per cent of wealth distribution, with at least secondary school education and aged 15–24.

23 United Nations Department of Economic and Social Affairs (UNDESA) (2019). *Disability and Development Report: Realizing the Sustainable Development Goals by, for and with Persons with Disabilities, 2018*. UNDESA, New York.

24 International Labour Office (ILO) (2021). *World Employment and Social Outlook 2021: The role of digital labour platforms in transforming the world of work*. ILO, Geneva.

25 World Health Organization (WHO) (2019). *Decade of Healthy Ageing 2020–2030*. WHO, Geneva.

26 United Nations Department of Economic and Social Affairs, Population Division. *World Population Prospects 2022 Special Aggregates*. Available at <https://population.un.org/dataportal/home> (accessed 14 July 2022).

27 Ibid.

28 United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (2017). *Sustainable Social Development In Asia And The Pacific: Towards A People-Centred Transformation*. ESCAP, Bangkok.

It is time to renew the social contract through a lens of decent work, universal healthcare and social protection

Supporting the workforce with decent work, universal healthcare and universal social protection is also of paramount importance to rebuild trust. Implementing social protection, health and labour market policies requires government revenues. Currently, the region's expenditure on social protection is low and progressive taxation uncommon. A renewed social contract is required to adopt progressive taxation systems that tax personal income, wealth and capital gains that help governments raise revenues and apportion them where needs are the greatest. This requires a common understanding by governments, individuals and the private sector, of the many benefits such an investment would have on society. An inclusive social dialogue is needed in each country to shape and agree on a strategic vision. The provision of decent jobs, universal healthcare, and social protection cannot be achieved without societies joining forces around a common agenda and a strong social contract, underpinned by solidarity and trust. Governments must convince the public that increased government revenues and expenditures will be used effectively and efficiently. By investing in policy areas critical for the workforce today and in the future, governments can deepen

solidarity and re-build trust, thereby accelerating the implementation of the 2030 Agenda for Sustainable Development (figure 1.5).

Existing high inequalities in Asia and the Pacific stand in the way of reinforcing the social contract. The aggregate income of the richest 10 per cent is at least 8 times the aggregate income of the poorest 50 per cent, reaching up to 20-fold.²⁹ Wealth inequality between the wealthiest 10 per cent and the poorest 50 per cent is much higher than income inequality with top-to-bottom ratio ranging from 45-fold to over 200-fold. Inequalities in wealth are also widening in many countries in the region, led by significant increases in China, India and the Russian Federation. Inequality in access to basic opportunities compounds the inequality in outcomes.³⁰ ESCAP estimates reveal that the average gaps between the furthest behind and furthest ahead groups across 13 basic opportunities in 23 countries reach an access gap of 55 per cent for Internet usage (figure 1.6), followed by 52 per cent for clean fuels and 45 per cent for access to a bank account.³¹

The region's growing inequalities in outcomes and opportunities can break down solidarity, erode trust and weaken the social contract. Although uncovering the direct link between inequality and social consequences requires a careful investigation, initial findings suggest that income inequality is negatively correlated with generalized trust (figure 1.7). In Asia and the Pacific, only a quarter of the population agrees that most

FIGURE 1.5 A virtuous cycle for inclusive and sustainable development



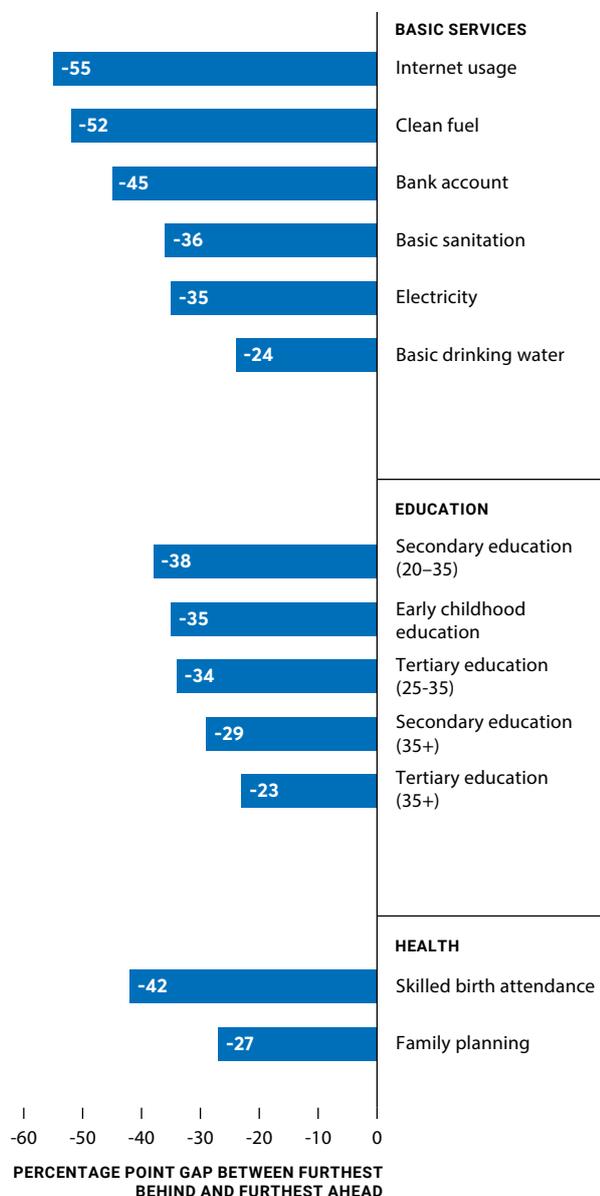
29 ESCAP elaborations based on key income and wealth inequality indicators from 2021 in World Inequality Database accessed online in April 2022.

30 United Nations (UN) (2020). *Report of the UN Economist Network for the UN 75th Anniversary: Shaping the Trends of Our Time*.

31 United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). *Leaving No One Behind*. ESCAP.

FIGURE 1.6 Gaps between the furthest ahead and furthest behind in access to basic opportunities, Asia-Pacific

Difference in access rate between furthest ahead and furthest behind groups, latest years



Source: ESCAP, Leaving No One Behind (LNOB). Available at <https://lnob.unescap.org>.

Note: ESCAP LNOB platform identifies the furthest behind and furthest ahead groups in access to basic opportunities based on DHS and MICS surveys across 29 Asia-Pacific countries at national and subnational levels. However, not all indicators are available for each country. The average gap between furthest behind and furthest ahead is calculated based on simple average of gaps in each country with available data with relevant indicators varying from country to country.

people can be trusted. The range is wide from as low as 5 per cent in Indonesia and the Philippines, to over 60 per cent in New Zealand and China. A growing body of studies warns that a high level of income inequality sets back the development of social capital by preventing individuals from meaningfully contributing to the shaping of their life and impedes social cooperation, leading to greater social divides.³²

Boosting access to decent jobs, universal healthcare and social protection for the workforce can reduce inequalities. By deepening trust and solidarity government policies can be strengthened. A strong body of evidence demonstrates the effectiveness of tax regimes, universal health coverage and social protection in reducing inequality.³³ By implementing policies that are anchored around the comprehensive vision of people-centred development and a commitment to leave no one behind, governments can accelerate the virtuous cycle of deepened solidarity and trust among people, as well as between people and the government, which will then feed back into solidifying the foundation for inclusive and comprehensive policies for all. Such an approach with credible commitments by all stakeholders was evident in the East Asian miracle.³⁴ With a strong social contract in place within countries, Asia and the Pacific can create a regionally shared vision, strategies and collaborative platform to build the workforce the region needs.

By zooming in on the opportunities to create a healthy, productive and resilient workforce, governments invest in long-term development and prosperity where no one is left behind. Decent jobs increase the purchasing power of workers and their families, fueling the growth of local economies. Universal healthcare coverage equates governments' long-term investment in human capital and healthy ageing. It improves productivity of the current and future workforce while curtailing sickness absenteeism and providing protection against financial hardships. From mitigation to adaptation, a variety of social protection schemes help build resilience and prosperity of the workforce in facing a number of ongoing and emerging

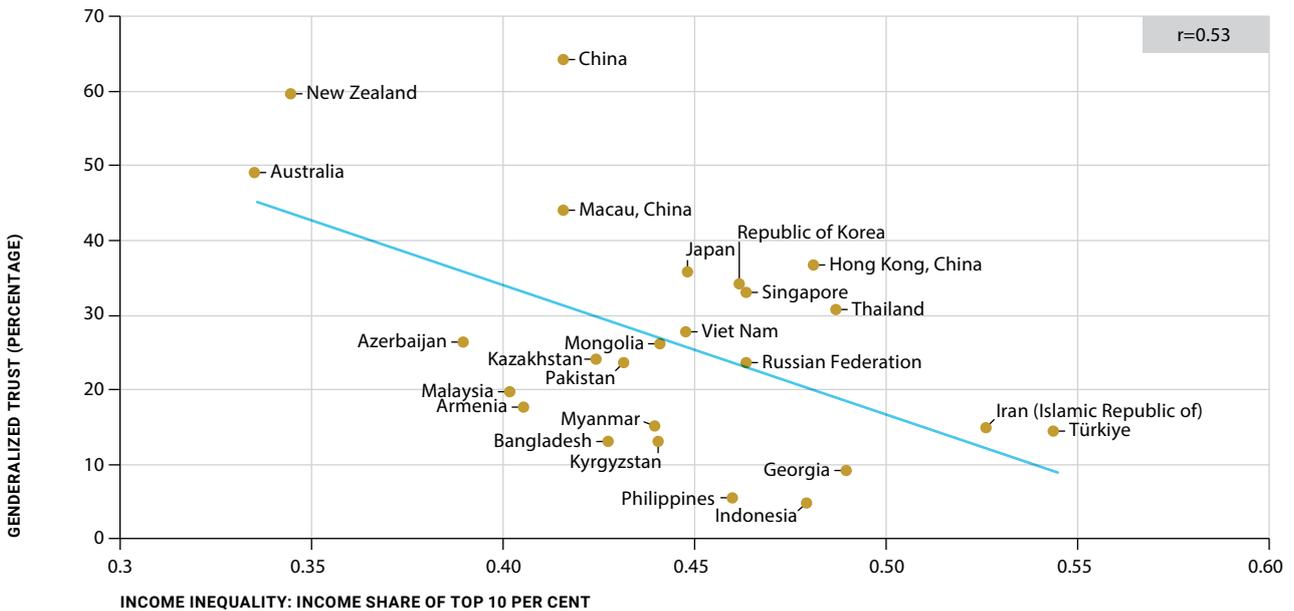
32 Philippe Nel (2006). "The Return of Inequality", *Third World Quarterly*, 27 (4):689-706.; Nel, P. (2008). *The Politics of Economic Inequality in Developing Countries*. New York: Palgrave-Macmillan.; Ayse Kaya and Andrej Keba. (2011). "Why Global Inequality Matters: Derivative Global Egalitarianism", *Journal of International Political Theory*, 7(2):140-164.; Kate Pickett and Richard Wilkinson, *The Spirit Level: Why More Equal Societies Almost Always Do Better* (2009).

33 Beneberu Assefa Wondimagegnhu, Beyadegie Wubie Worku, Amelmal Afework Tamene, Almaz Giziew Adugna. "Struggling to Keep the Wolf from the Door"? Analysis of Rural Poverty Using a Consumption-Based Approach in West Belesa District, Ethiopia, *Social Indicators Research*, 10.1007/s11205-021-02749-w, 159, 1, (319-350), (2021).; Miqdad Asaria, Shehzad Ali, Tim Doran, et al, How a universal health system reduces inequalities: lessons from England, *J Epidemiol Community Health* 2016;70:637-643.; Xianguo Huang and Naoyuki Yoshino (2016), Impacts of Universal Health Coverage: Financing, Income Inequality, and Social Welfare, Asian Development Bank Institute Working Paper No. 617.

34 Jose Edgardo Campos and Hilton L. Root (1996). *The Key to the Asian Miracle: Making Shared Growth Credible*. Washington, DC.

FIGURE 1.7 Rising inequalities can erode trust

Levels of generalized trust among populations and income inequality



Source: WVSA (2022). World Values Survey, Wave 7. Available at <https://www.worldvaluessurvey.org/> (accessed in January 2022) and World Inequality Database (2019). Available at <https://wid.world/>.

Note: Generalized or interpersonal trust is measured by the following question: “Can most people be trusted?”. Data are available for only 26 countries in 2017–2020 period. Data are available for more countries on income share of top 10 percentile of national income distribution as of 2019.

megatrends as well as life cycle contingencies and system-wide shocks. Decent jobs, universal healthcare and social protection are guarantors of a resilient workforce, higher productivity and increased tax revenues. They empower workers as actors of development. They are a bulwark against inequality and vulnerability that contributes to inclusive economic growth, resilience and harmonious societies.

The premise of this report is that the future of social development in the region is at a crossroads and that building a resilient workforce that is healthy, protected, and productive is urgently needed for people and countries to prosper together, while achieving inclusive and sustainable development. Such a workforce is a bare necessity if it is to overcome a plethora of emerging and ongoing challenges, including climate change, population ageing and digitalization. While the COVID-19 pandemic highlighted the need to leave the business-as-usual approach, there is now the

necessary momentum to build a stronger social contract. While fiscal space is a concern for many countries in the region, spending for progress toward universal health coverage and universal social protection floor is an essential investment for an inclusive recovery.³⁵

Against this background, Chapter 2 explores the links between the productivity of the workforce and access to decent employment. Chapter 3 shows how a healthy and secure workforce is shielded from individual or systemic health shocks, thereby avoiding negative coping strategies while ensuring long-term people-centred development. Chapter 4 focuses on social protection and how it can reduce poverty and inequality, but also help workers access basic services that are central to improving their health, productivity and securing a decent job. Chapter 5 brings all three aspects together and makes the case for renewing the social contract for the workforce we need along with actionable policy recommendations.

35 United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (March 2022). *Economic and Social Survey of Asia and the Pacific (2022): Towards post-COVID-19 resilient economies*. ESCAP, Bangkok.