

Knowledge Sharing on the Findings from the Rapid Assessment on Upskilling and Reskilling Needs of Workers Impacted by COVID-19 and Automation in Thailand

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Summary

► General background

The Knowledge Sharing session and the *Rapid Assessment on Upskilling and Reskilling Needs of Workers Impacted by COVID-19 and Automation in Thailand* were made possible with the support from the ILO/Korea Partnership Programme and the ‘Women in STEM Workforce Readiness and Development Programme’ (supported by JP Morgan Chase Foundation).

The COVID-19 pandemic affected most of Thailand's major growing industries, including tourism. Virus containment methods forced workers to restrict travel and limit physical interactions, resulting in a drop in economic activity and disruption of supply chains. Thailand's labour productivity contracted, the country recorded productivity losses of around 6-7 per cent. Sizeable decreases in economic activity outweighed marginal employment gains. Losses in output per hour work in the accommodation and food services industry amounted to 32.2 per cent in 2020, driven primarily by a sharp decline in sectoral gross output.¹ The pandemic opened up unprecedented jobs gap and aggravated underlying labour market vulnerabilities and deepened gender disparities. This not only impact the immediate prospects and aspirations of more than 38.8 million Thai workers, it has profound implications for social justice and decent work, and also undermines progress towards achieving the goals of the United Nations 2030 Agenda for Sustainable Development.

As governments, social partners and other stakeholders continue to tackle the COVID-19 crisis, urgent and coordinated action is needed to improve the labour market prospects. As Thailand enters post COVID-19 recovery stage, the government is being urged to step up the introduction of more effective and intensive assistance to help maintain employment and create jobs. In mid-2021 the Ministry of Labor, ILO and Chulalongkorn University's College of Population Studies embarked on conducting an assessment on reskilling and upskilling needs so to gain better understanding of employment changes and skill requirements to assist policy planning, as ‘spurring a robust, human-centred recovery will necessitate a focus on creating more productive jobs, particularly in hard-hit sectors’.²

¹ ILO, Asia-Pacific Labour Market Insights, *Labour Productivity Trends in Asia and the Pacific Highlight Uneven COVID-19 Impacts*, October 2021.

² Ibid.

► Methodology brief

The *Guidelines on rapid assessment of reskilling and upskilling needs in response to the COVID-19 crisis* (ILO, 2020) recognizes the importance of understanding situations to plan for a speedy recovery, to get people back to work safely, to limit the career scarring effects of prolonged unemployment and skills mismatch and to take advantage of opportunities that may otherwise dissipate over time. In referencing the Guideline, the research team carried out a rapid assessment of target sectors' skill needs and to gain insights and lessons learned to improve the existing re-training and up-skilling or other skill development supporting programmes. The key assumption is that workers in entry level jobs as well as clerical support jobs are expected to be especially vulnerable to the impact of technology adoptions and were hit the hardest by the pandemic.

Based on tripartite consultation conducted periodically throughout 2021, the research team applied a cluster sampling approach in the following priority sectors: agriculture, manufacturing industries and services. Approximately 700 companies in seven distinct industries accounting for 319,728 jobs provided information. More than 3,000 respondents were reached with the help from the Ministry of Labour, Civil Society Organizations and Non-Governmental Organizations. In-depth interviews were conducted with key entities including employers and workers' organizations, training institutions and government arms. In the light of the existing challenges, including those induced by the COVID-19 pandemic, the findings will inform planning and provide basis for consultations with key public and private sector stakeholders to prioritize sector-specific action plans, with an emphasis on skills development. This is because skills development has an important role to play in the immediate effort to lessen not only the impact of COVID-19, in building the resilience of workers and firms and in preparing for recovery but also for building an inclusive future with decent work.

► Findings and recommendations

The virtual session stimulated discussion on the preliminary findings and built a consensus understanding on the need for further synergies and a collaboration model aligned to the ILO's "Global Call to Action for a Human-centred Recovery" asking to implement recovery strategies that prioritize full employment and support for sustainable enterprises, the needs of the most vulnerable and hardest hit by the pandemic.³

With a rapidly aging population, Thailand has manifold problems in maintaining productivity and economic growth, fiscal sustainability on top of increased demand on public health care. Moreover, the Thai labour market comprises of a sizeable proportion of informal workers whose jobs are neither protected or receive social security benefits. The informal workers are more vulnerable to external shocks. In 2019, informal workers accounted for 54.3 percent of total employment.

The key recommendation is a call for more support for demand-led skill development policies and system as a means to respond effectively to the changing skills needs and look into targeted action (i.e. incentive schemes, subsidized work-based learning, up-to-date training courses, digital training) to promote decent jobs. There has never been a more critical time to focus on collaboration and partnerships to promote the awareness of the dynamics of the types of skills set required for a smooth transition, especially the skills set required in the 21st century workplace. First and foremost, there is the need to update skills sets and identify future skills sets, aggressively roll-out digital literacy training and increase awareness on green skills. In aligning with the key national policies and strategies on human resources development, the Ministry of Labour is encouraged to integrate green components and STEM skills into its training courses offered nationwide. This can be accelerated by fostering cooperation with the private sector, including the academe,

³ <https://www.ilo.org/infostories/en-GB/Campaigns/covid19/globalcall#withincountries>

to support the digital transformation of the industry with skills development. Enhance lifelong learning framework and policy by exploring just transition, digitalization, and build learning ecosystems that work across life and is accessible. Prioritize specific needs by gender, age group and physical condition, as well as promoting the potential of SMEs to address equity. To include transferable skills in the prioritized needs identified and work towards building a solid foundation with transferable skills learned across many environments. The Ministry of Labour is to revisit its active labour market policies and optimize the distribution of the Skills Development Promotion Fund. This is conducted in line with the overarching framework of Thailand's 13th National Economic and Social Development Plan and the 20 Year National Strategy (2017-36) in pushing forward Thailand towards becoming a high-income country in accordance with the 'sufficiency economy philosophy' which aligns with the ILO's global call to action for a human centred recovery.

The knowledge sharing session was participated by representatives from: Ministry of Labour; Employers' Confederation of Thailand; State Enterprises Relations' Confederation; Chulalongkorn University; National Economic and Social Development Council; Ministry of Higher Education, Science, Research and Innovation; Ministry of Social Development and Human Security; Thai Trade Union Congress; and Labour Congress of Thailand.

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