

Inter-regional Technical Forum on Skills for Trade, Employability and Inclusive Growth

Matching skills for the future of work and regional integration in Asia and the Pacific

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Siem Reap, Cambodia
30-31 May 2017



Background



❑ ILO-KOREA TVET Forum, Oct. 2017

- Jobs, Skills and Strategies for the Future: Perspectives from Asia-Pacific

❑ The 16th Asia-Pacific Regional Meeting (APRM)

- Special Plenary Debate: Skills for the Future



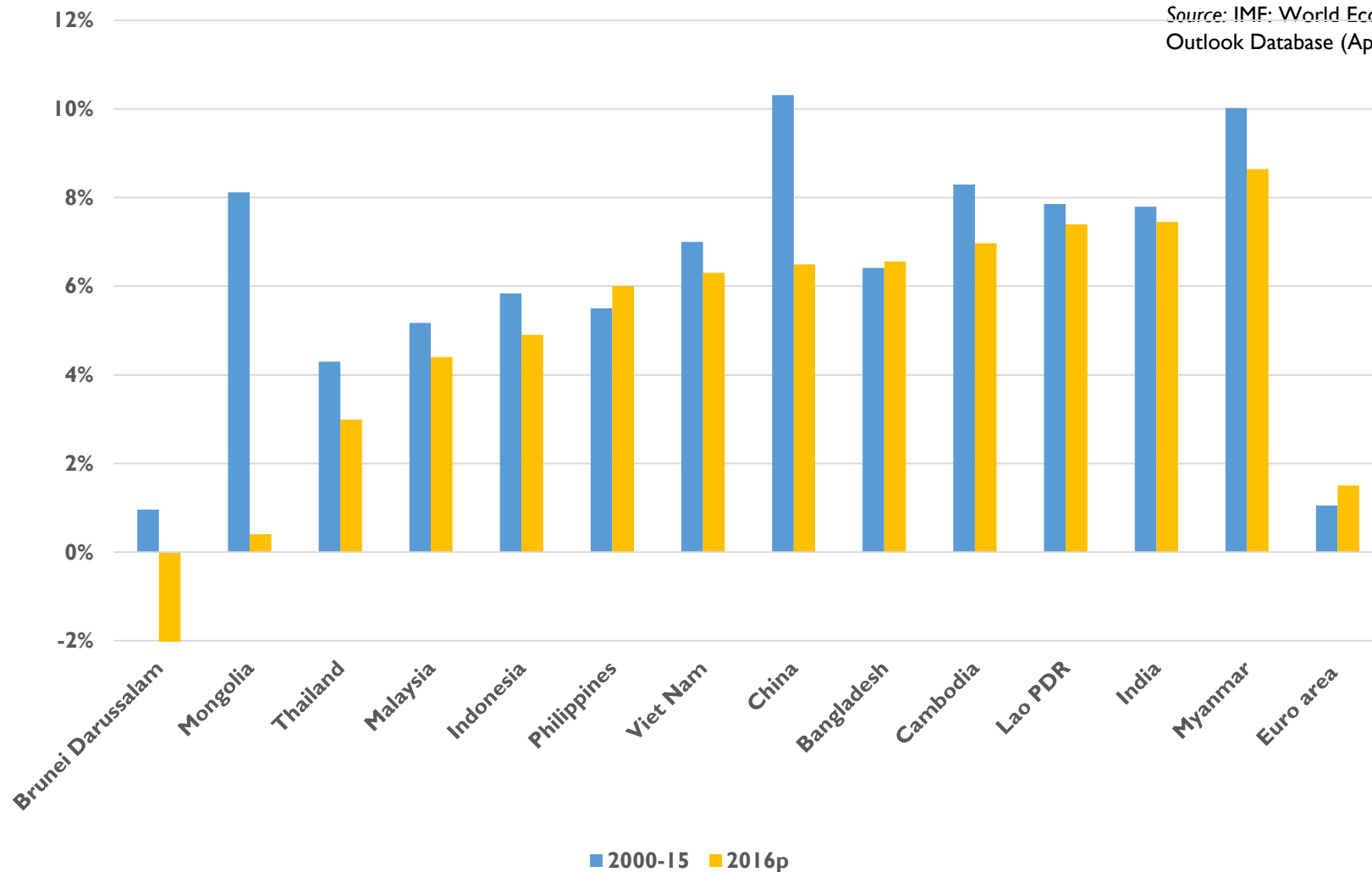
□ CONTEXT

Robust economic growth in developing Asia...

Change in real gross domestic product, 2000-16p (% annual average)

Note: 2016 figures are projections.

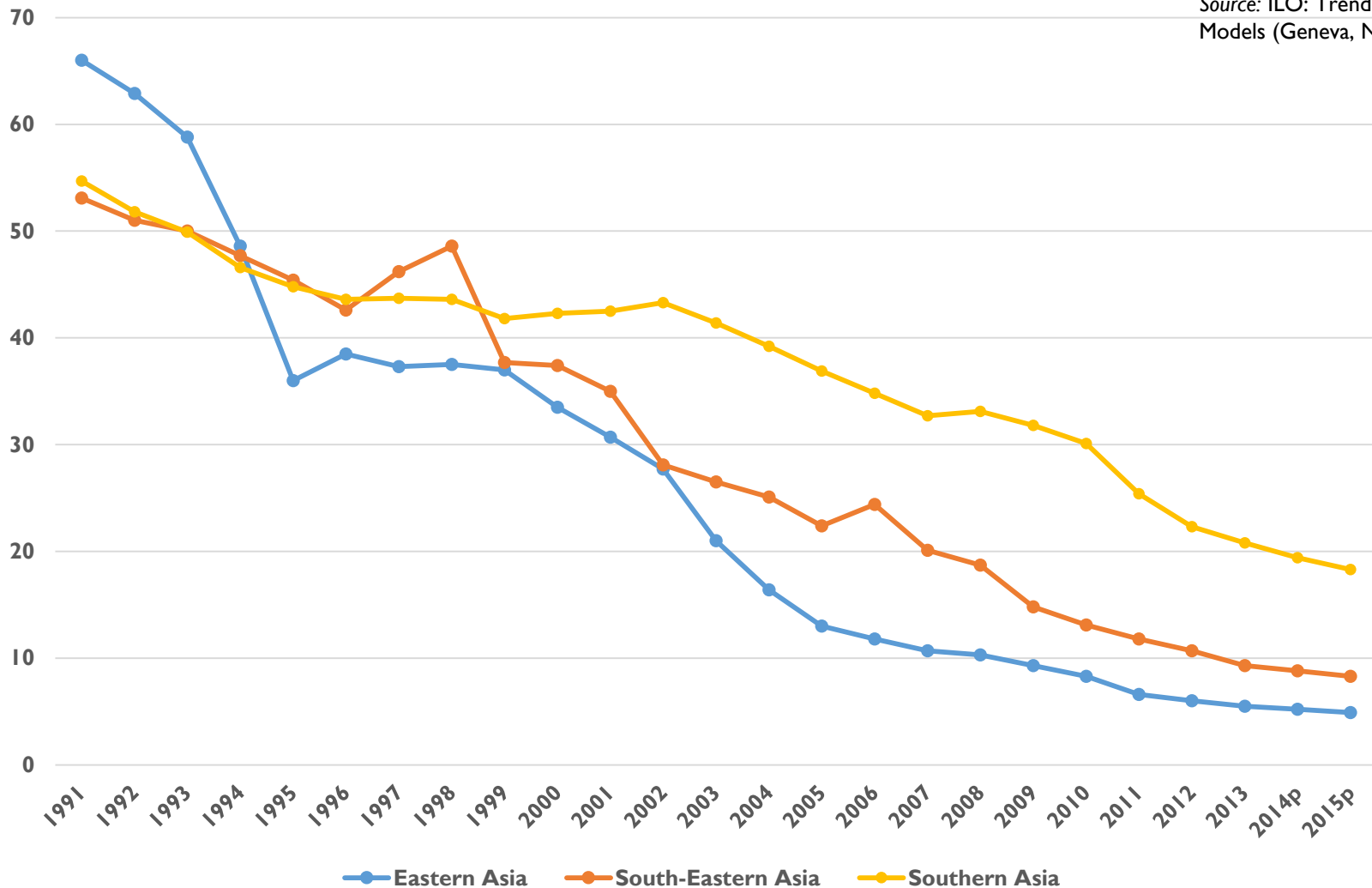
Source: IMF: World Economic Outlook Database (Apr. 2016).



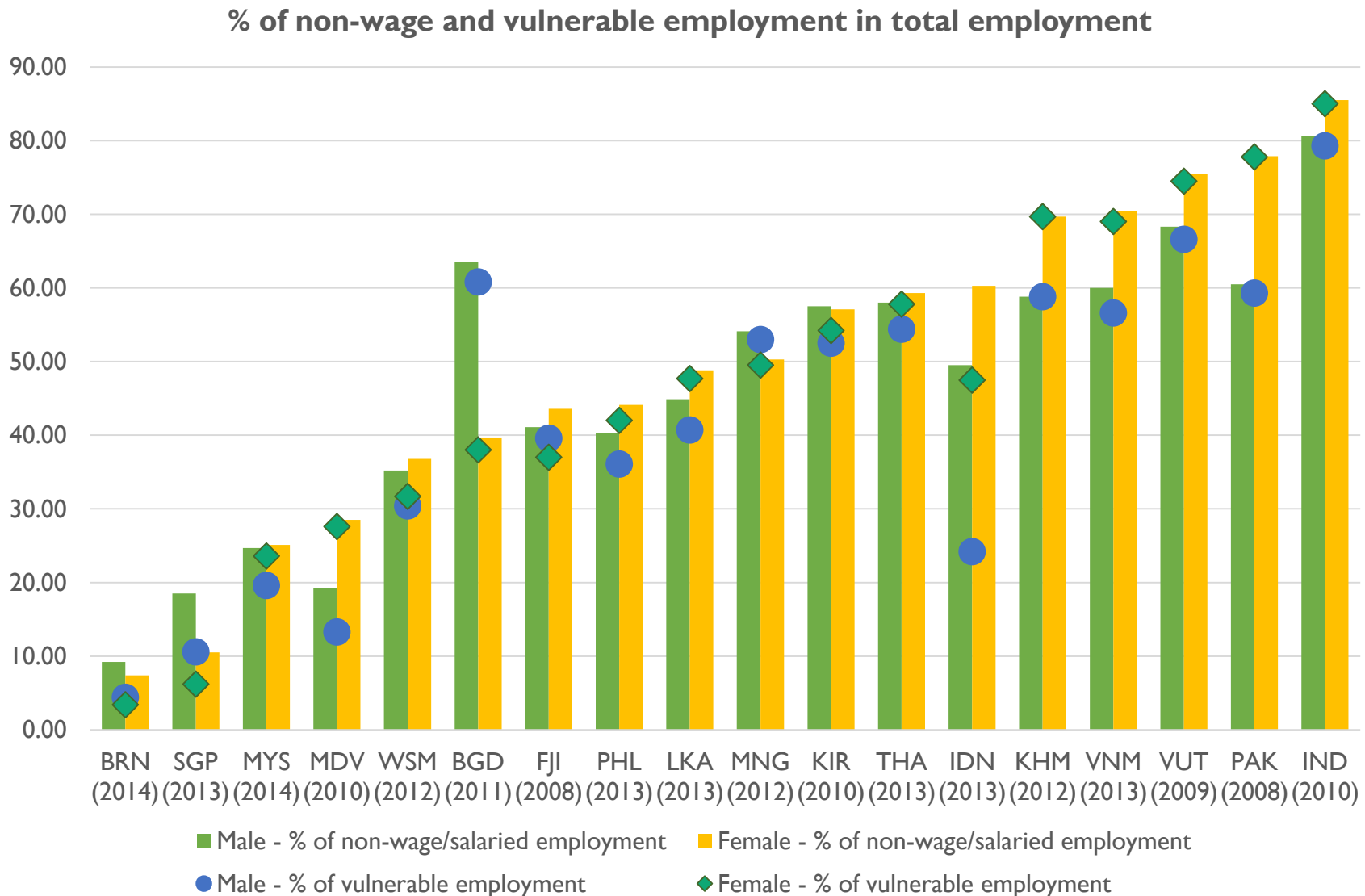
...has lifted millions of workers out of poverty...

Share of workers living in extreme poverty, 1991-2015p (% under \$1.90 per day)

Source: ILO: Trends Econometric Models (Geneva, Nov. 2015).

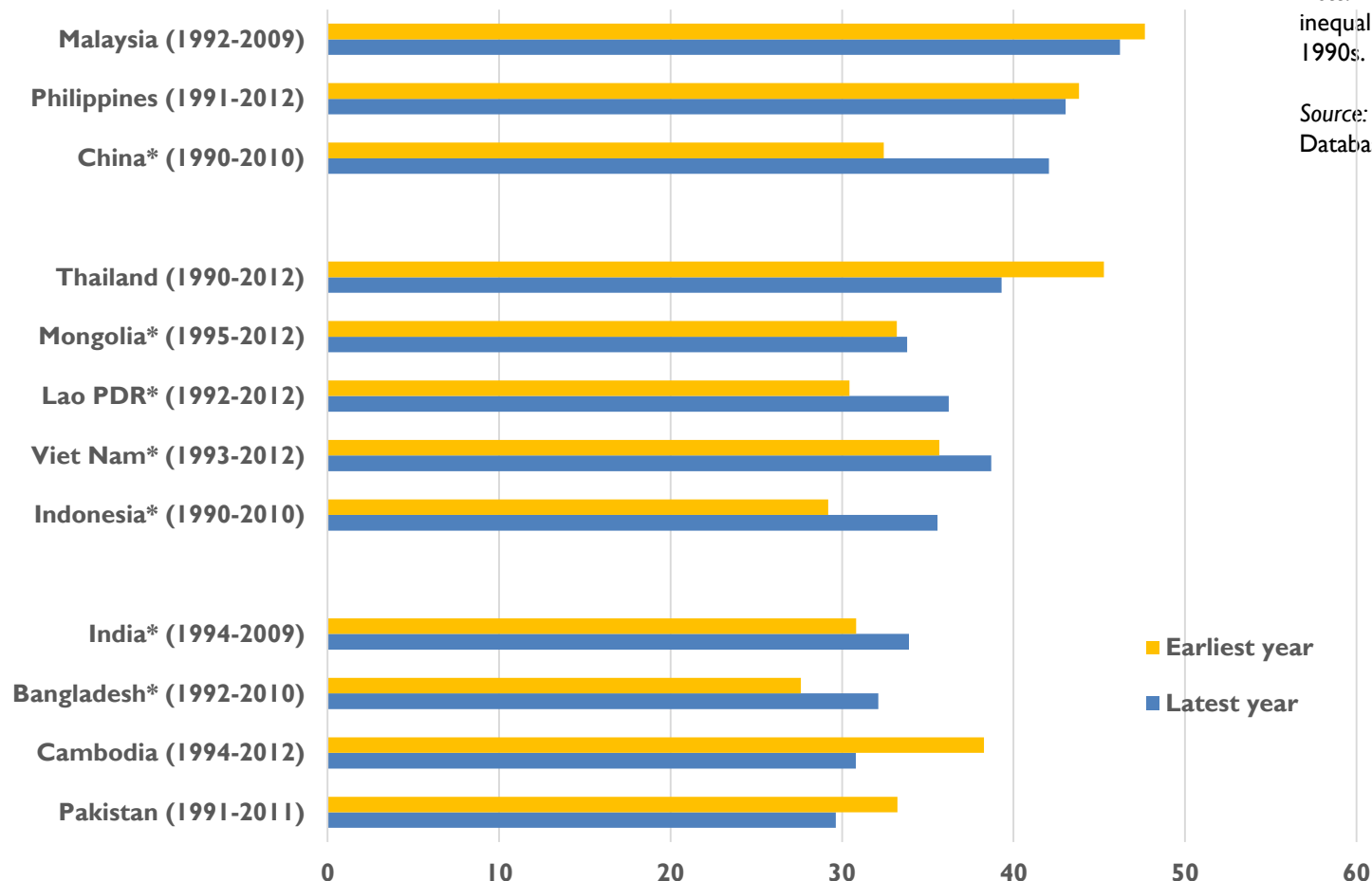


...improving the quality of employment still remains a big challenge...



... income disparity rising overall...

Change in Gini coefficient, earliest year in 1990s and latest available year

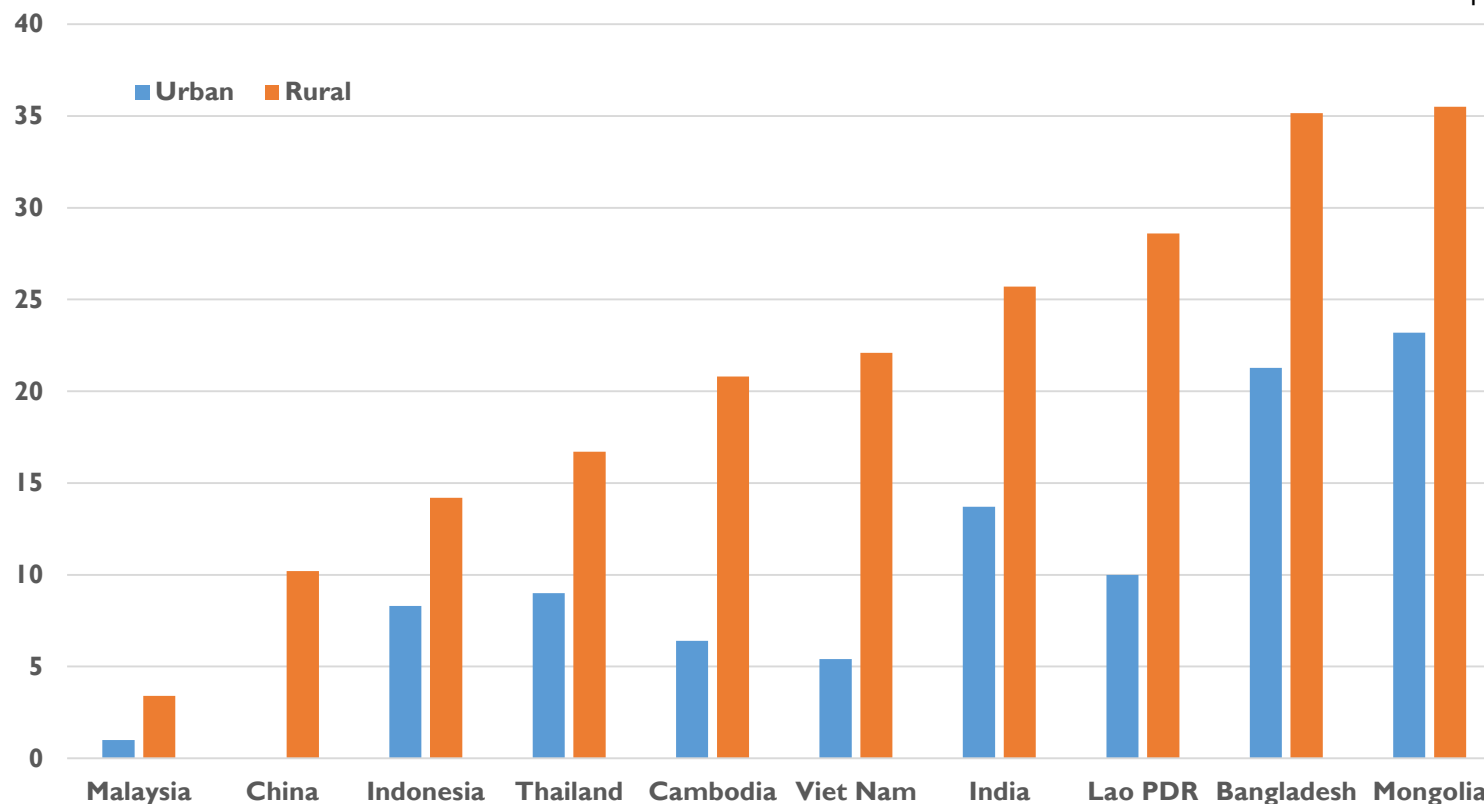


...notably in **China, India and Indonesia** which account for nearly **3 in 4** of the region's population...

...and spatial inequalities persist...

Urban and rural poverty rate, latest available year (% below national poverty line)

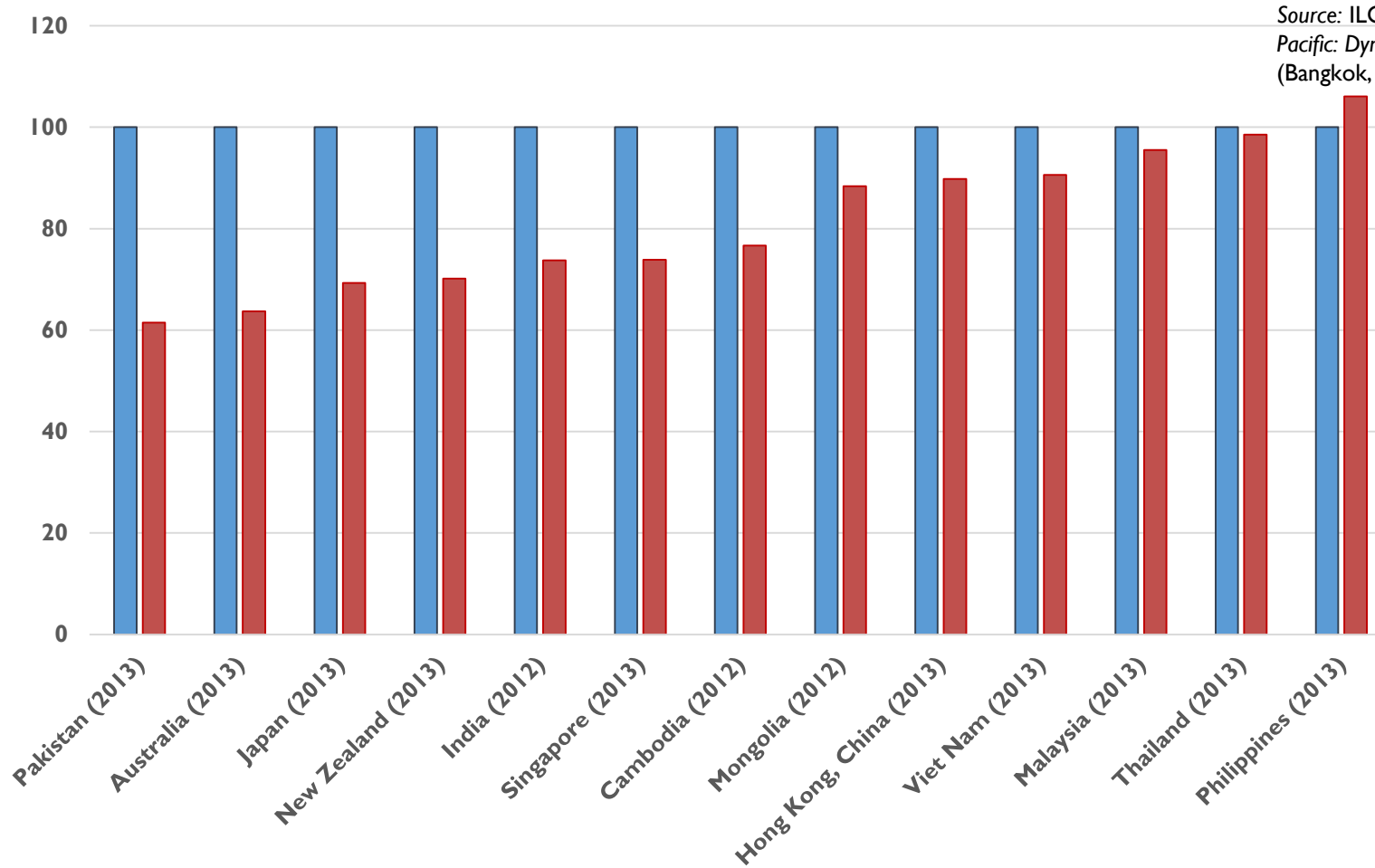
Source: World Bank: World Development Indicators (2016).



...between **rural** and **urban** areas but also between regions...

...and wage gaps between women and men...

Male-female gap in wages, 2013 or latest available year (%)



■ Average wage of men (Index = 100)

■ Average wage of women relative to men's wages

SKILLS FOR THE FUTURE in ASIA & PACIFIC



□ KEY DRIVERS SHAPING THE FUTURE OF WORK

- ❖ Demographic change
- ❖ Technology
- ❖ Inter & Intra regional integration
- ❖ Climate change & environmental sustainability
- ❖ Key on-going characteristics: large informality & rural economy

Key Drivers of Change and Emerging Skills Needs

❖ Demographic change

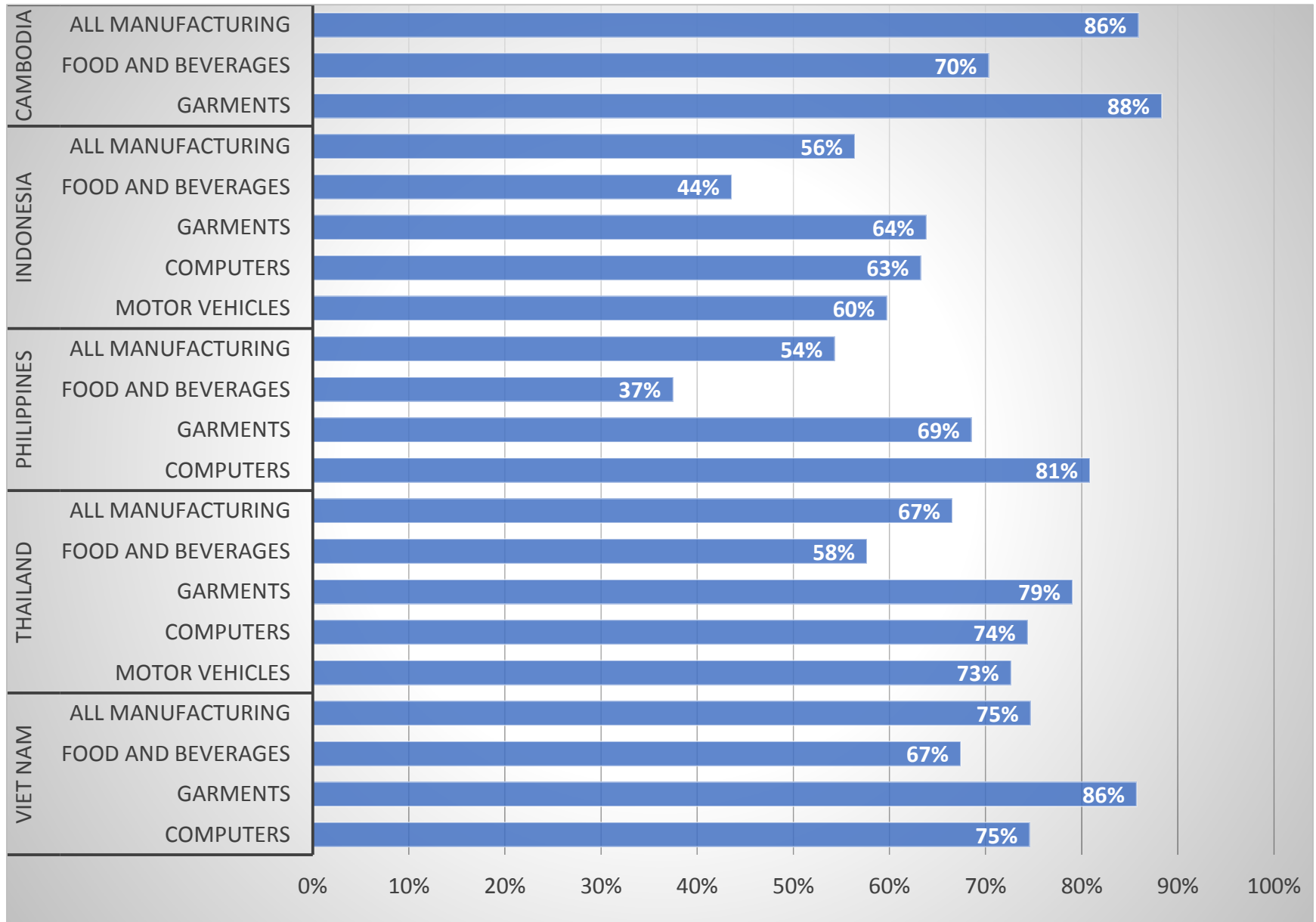
- Dual trends: Aging economies and young economies
- Increased demands for health care and care occupations
- Greater importance of lifelong learning, skills upgrading or reskilling for mature workers
- Need to equip young job seekers with relevant competencies
- Importance of quality basic education and/or core work skills

Key Drivers of Change and Emerging Skills Needs

❖ Technological change

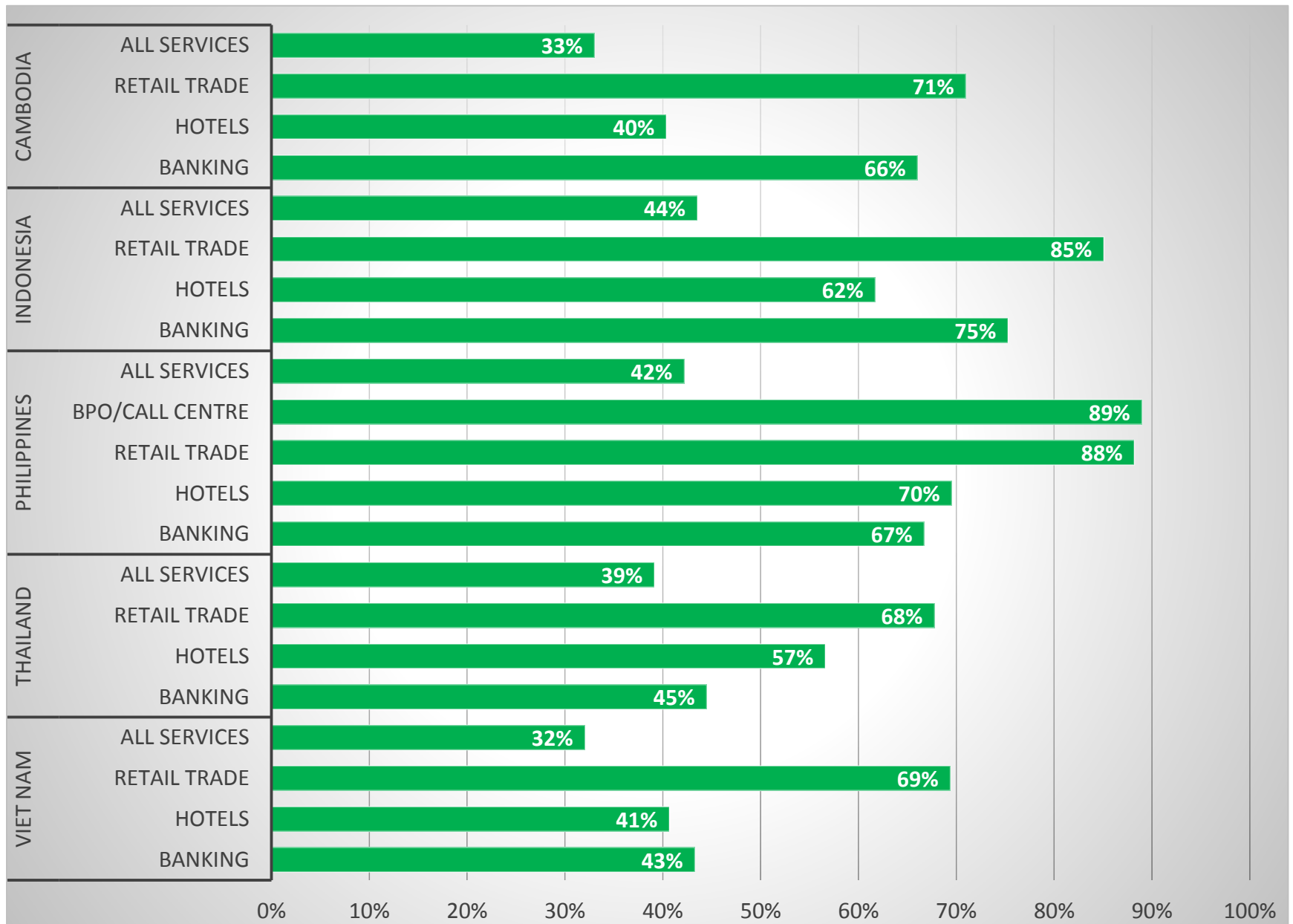
- While technology helps job creation, growing concern of negative impact on jobs
- Likely to negatively impact on low-skilled occupations, women and those with limited education
- Increased demand for retraining and skills upgrading
- Increased demand for middle-higher skills, STEM and core work skills including ability to learn
- The impact of technology on jobs varies considerably

Key Manufacturing Sectors at High Employment Risk of Automation

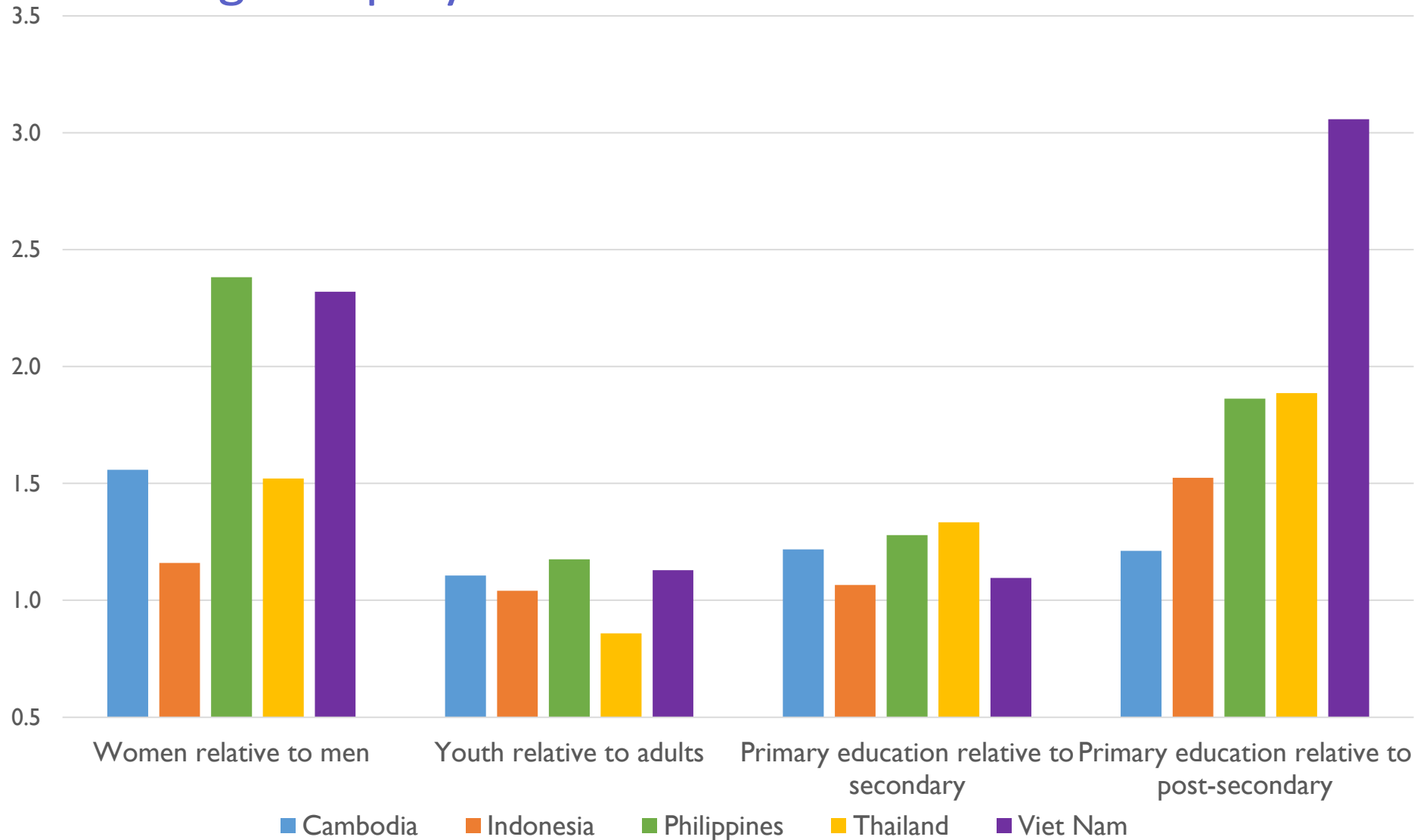


Source: Chang and Huynh (2016) ASEAN in Transformation: Future of jobs at risk of automation, ILO

Key **Service** Sectors at High Employment Risk of Automation



Women and less educated workers more likely to be at high employment risk



Source: Chang and Huynh (2016) ASEAN in Transformation: Future of jobs at risk of automation, ILO



☐ SKILLS PROFILES

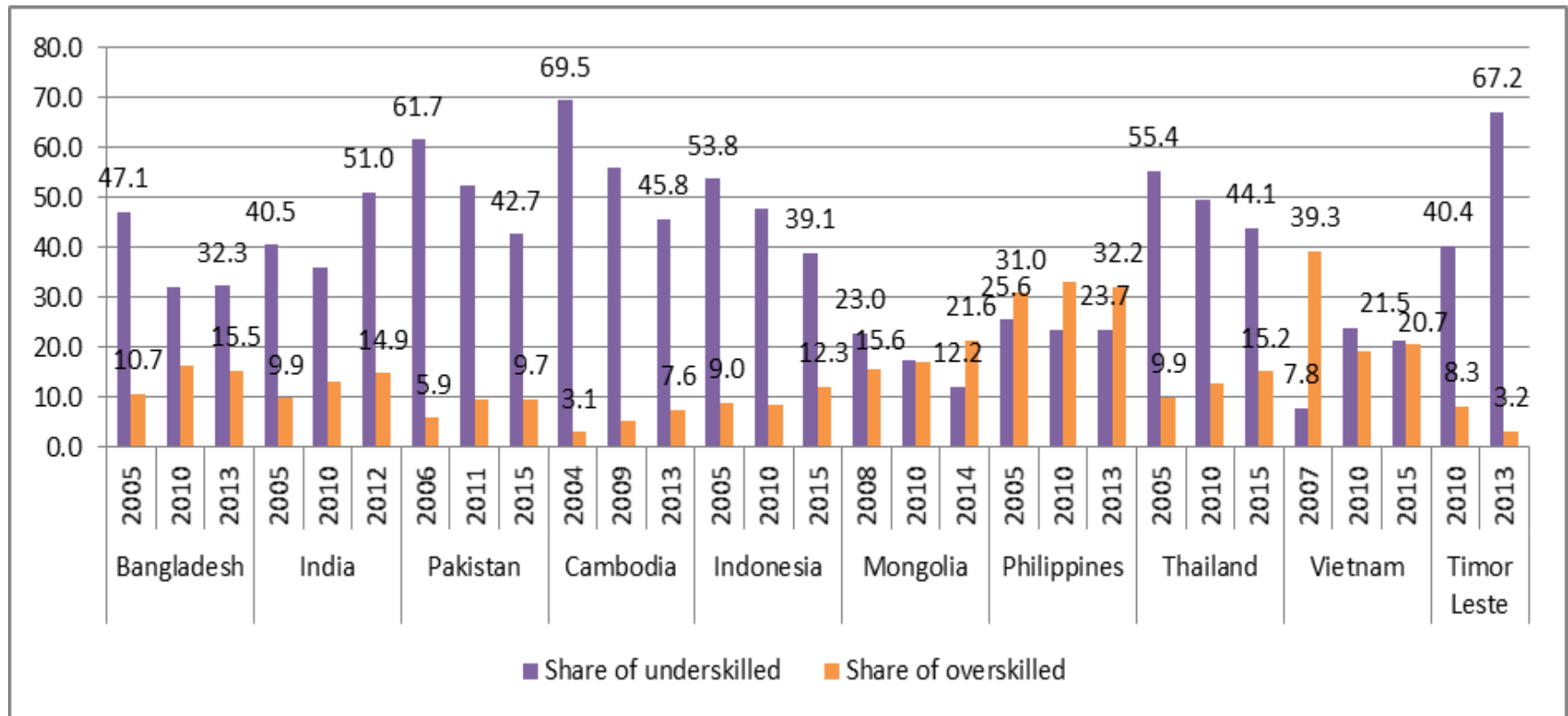
Labour force by educational attainment

- ❑ Education level of the workforce in the region varies considerably
 - ❑ More than 30% of the workforce without primary education (Cambodia, India and Pakistan,).
 - ❑ At least 30% of the workforce with tertiary education (high income countries in the region)

- ❑ Considerable share (over 60%) of the workforce has less than secondary education
 - ❑ Cambodia, India, Indonesia, Thailand, Pakistan, Sri Lanka

Skills mismatch (over/under-skilled)

- ❑ Significant skills mismatch exists in the region
 - ❑ Less than half (45-48%) of employed persons had a 'matching' qualifications for their occupations
 - ❑ More 'under-skilled mismatches' (51% in India, 45% in Cambodia and Thailand 44%), less 'over-skilled mismatch'



Skills mismatch (over/under-qualified)

□ Trends (2005- latest available data):

- Incidence of over-qualification is increasing in low and middle-skilled occupations, except Mongolia and Indonesia
- For middle- and high-skilled occupations, the incidence of under-qualified workers is in decline in general
- Expected skills shortages: high-skills in India, Indonesia, Pakistan, lesser extent in Cambodia, Mongolia, Thailand, Timor Leste; semi-skilled workers for most countries

Source: Bhulaor and Matsumoto (forthcoming), *Skills mismatch and shortages in Asia and the Pacific*, ILO Regional Office for Asia and the Pacific



☐ SKILLS RESPONSES

Key areas of skills responses

- ❑ Anticipating future skills needs
- ❑ Improving relevance and responsiveness to meet labour market needs
- ❑ Greater engagement of industry, and better integration of training and the world of work
- ❑ Broadening access to TVET, and lifelong learning opportunities
 - ❑ flexible delivery, community-based training, informal apprenticeships, recognition of prior learning

Additional suggestions from APRM debate on skills for the future

Skills systems need to:

- ☐ Broaden the scope of careers through core work skills, clustering of skills and lifelong learning approach
- ☐ Be in sync with actual demands of skills in the business strategy, now and in the future
- ☐ Be part of the creation of more rewarding and productive jobs (that require more high skills and have high value-added content) for building an inclusive future
- ☐ Step up efforts for public-private partnerships (PPPs)
- ☐ Improve the status of vocational technical training



THANK YOU