

Priority Issues in TVET and Workforce Skills Development for Asia in the Global World

**Jouko Sarvi
Practice Leader for Education,
Asian Development Bank**

**5th PRC-ADB Knowledge Sharing Platform,
Sustainable Vocational Training towards
Industrial Upgrading and Economic
Transformation
2-5 December 2013, Beijing & Guandong**

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Service Sector



- Labor intensive: growing source of jobs, about 30-40% of all workers in Asia region
- A more productive and dynamic service sector would help sustain the region's economic growth, make it more inclusive, and contribute to poverty reduction

From Traditional to Modern Services

- Low productivity due to dominance of traditional services (e.g. wholesale and retail trade, and personal services)
- Productivity and value addition are higher in modern services such as knowledge intensive services, which have high importance to Asia (e.g. ICT, finance, legal services, business services, management support)



Human Capital for Modern Services



- Modern service industries increasingly need highly skilled and qualified workers who have also 'soft skills' (e.g. skills for team work, communication, problem solving, management)
- Modern services complement manufacturing sector and can lift the productivity of both manufacturing and service sectors.

Manufacturing

- Moving from vertical supply chains to manufacturing activities which cut across several industries
- Skills development serving clusters of interrelated industries can increase efficiency and competitiveness.



Diversity in Manufacturing Occupations

White Collar



Blue Collar



Gray Collar



The rise of technology in manufacturing requires “gray collar” or “knowledge workers” for higher value-added products that enable economies to avoid the middle-income trap.

Transition from School to Work

- Advanced skills are indispensable for a high-productivity economy while medium-skills workers are key for growth of labor-intensive sectors.
- Skills credentials developed and endorsed by industry are crucial for successful transition
- Education and training institutions should engage industries to jointly develop skills assessment tools which help improve job-readiness of students.



Characteristics of a Competitive Skills Development System

How Systems Operate

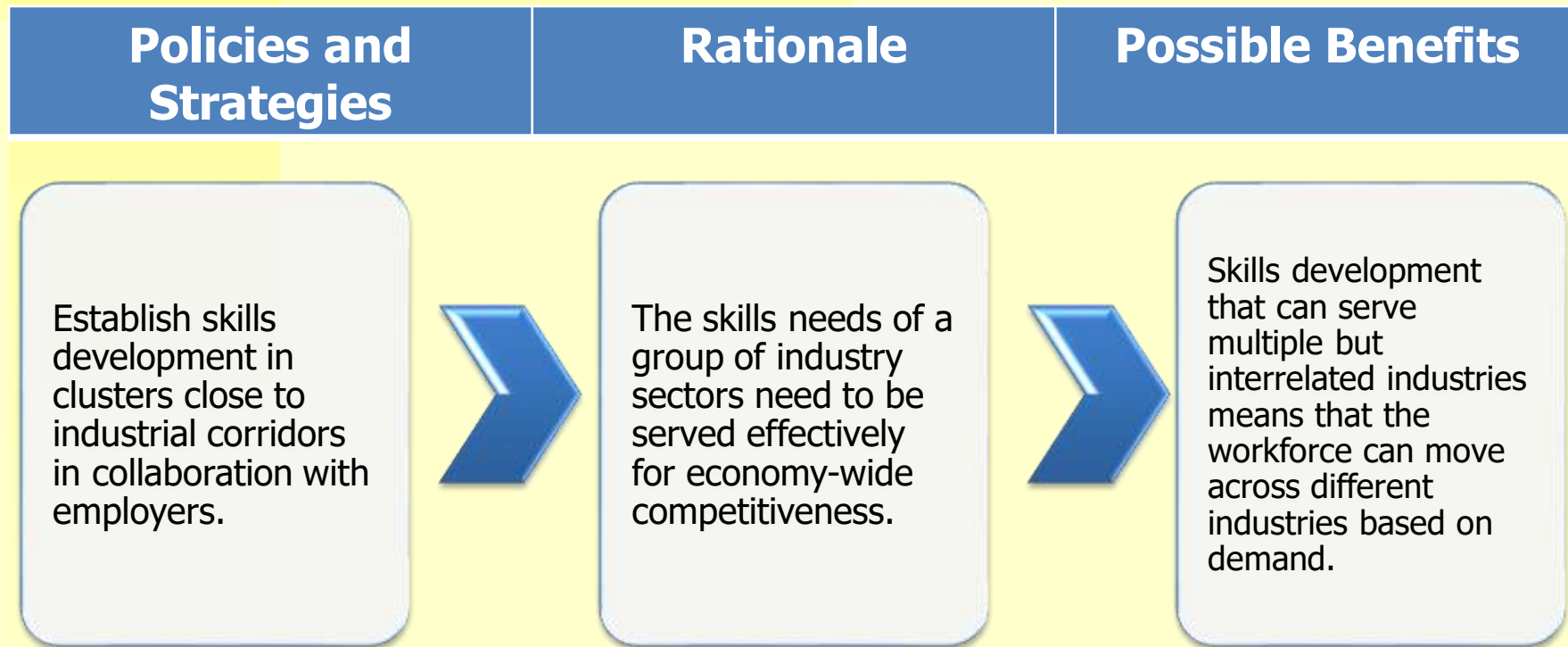
- Align industrial, development, and skills policies.
- Develop skills development clusters that support different but interlinked industries.
- Provide multifaceted opportunities (formal education, vocational, in-company training).
- Identify and absorb “relevant best practice” from abroad but adapt to local contexts.
- Expand skills linked with needs of the economy and society.

How People Benefit

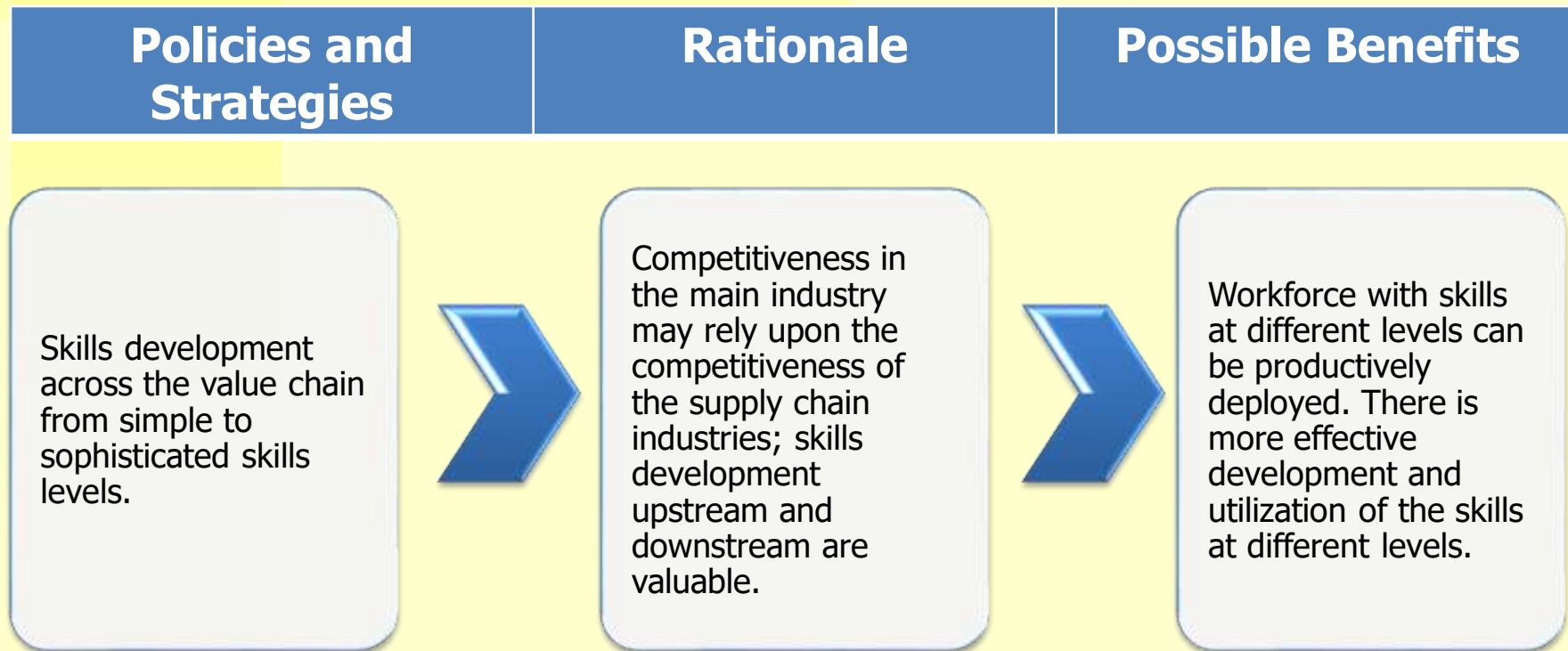
- A meritocracy system rewards skilled workers which incentivizes acquisition of skills.
- Trainers are able to keep up with new knowledge on an ongoing basis.
- Local community needs are integrated into skills training programs.
- Workers gain the right portfolio of skills within the workforce.
- Workers have access to multiple pathways to acquire and update skills and qualifications.
- Workers have opportunities for lifelong learning.

Source: Enright, M. 2012. The Role of Skills Development in Competitiveness in Asia. Skills for Inclusive and Sustainable Growth in Developing Asia-Pacific: An International Forum, December 2012. ADB. Manila

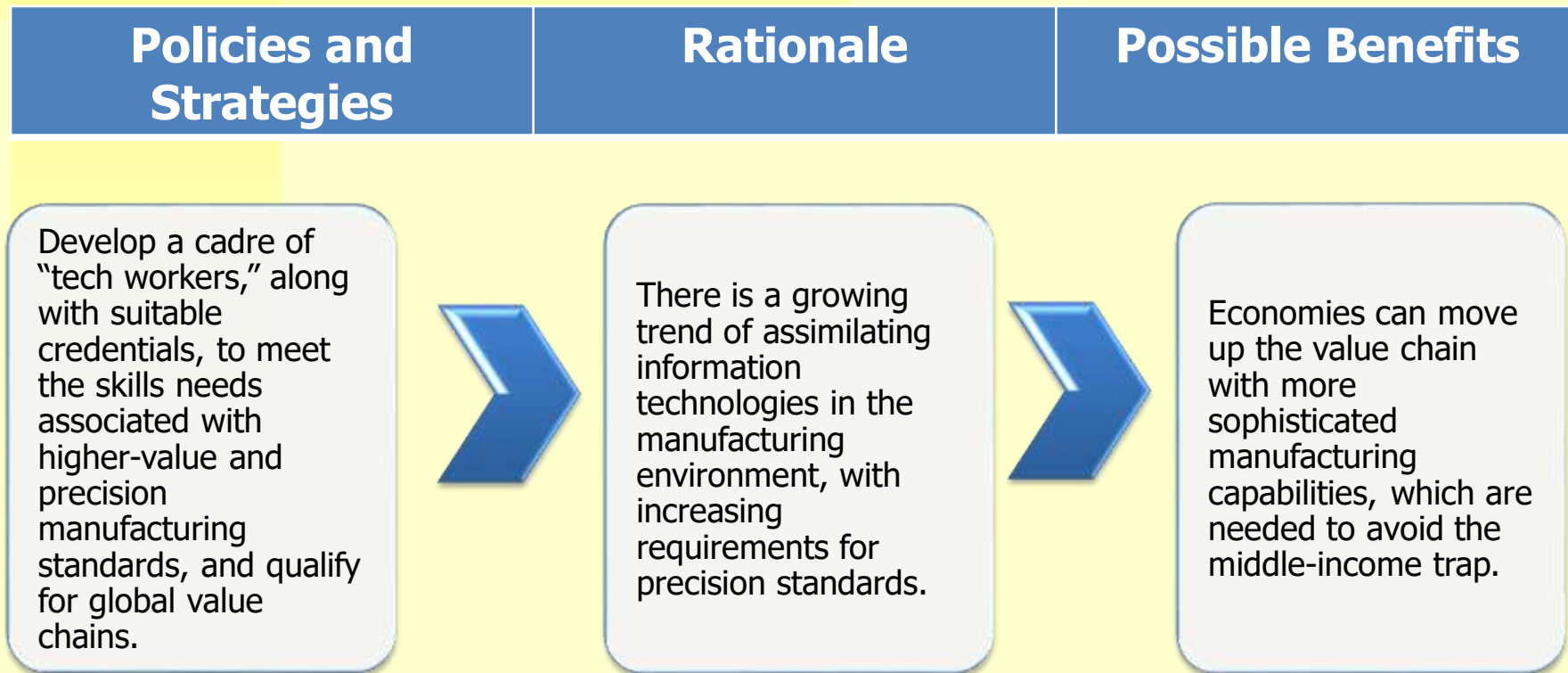
Skills for Competitiveness, Jobs, and Employability in Developing Asia



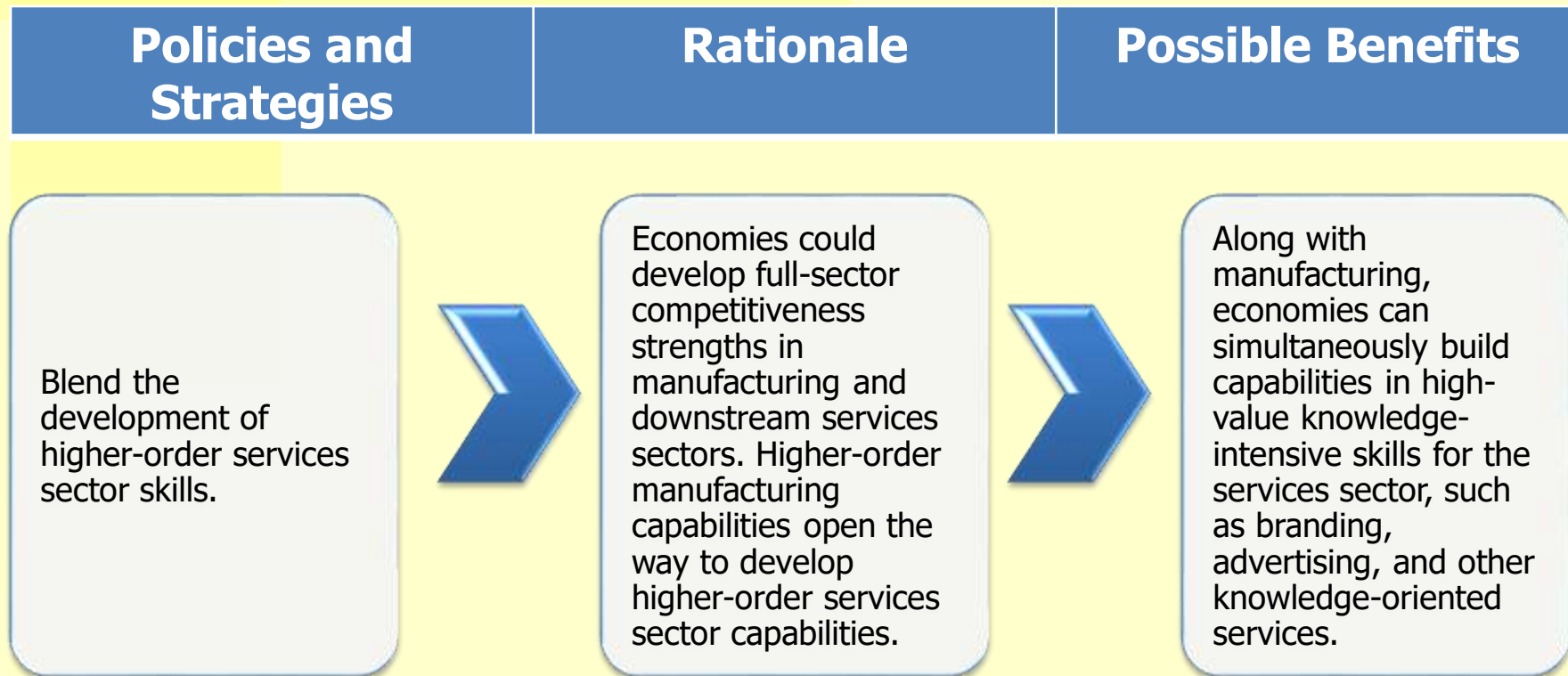
Skills for Competitiveness, Jobs, and Employability in Developing Asia (Cont.)



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Skills for Competitiveness, Jobs, and Employability in Developing Asia (cont.)



Skills for Competitiveness, Jobs, and Employability in Developing Asia (Cont.)

Policies and Strategies	Rationale	Possible Benefits
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Invest in increasing skills and knowledge intensity in small and medium firms.

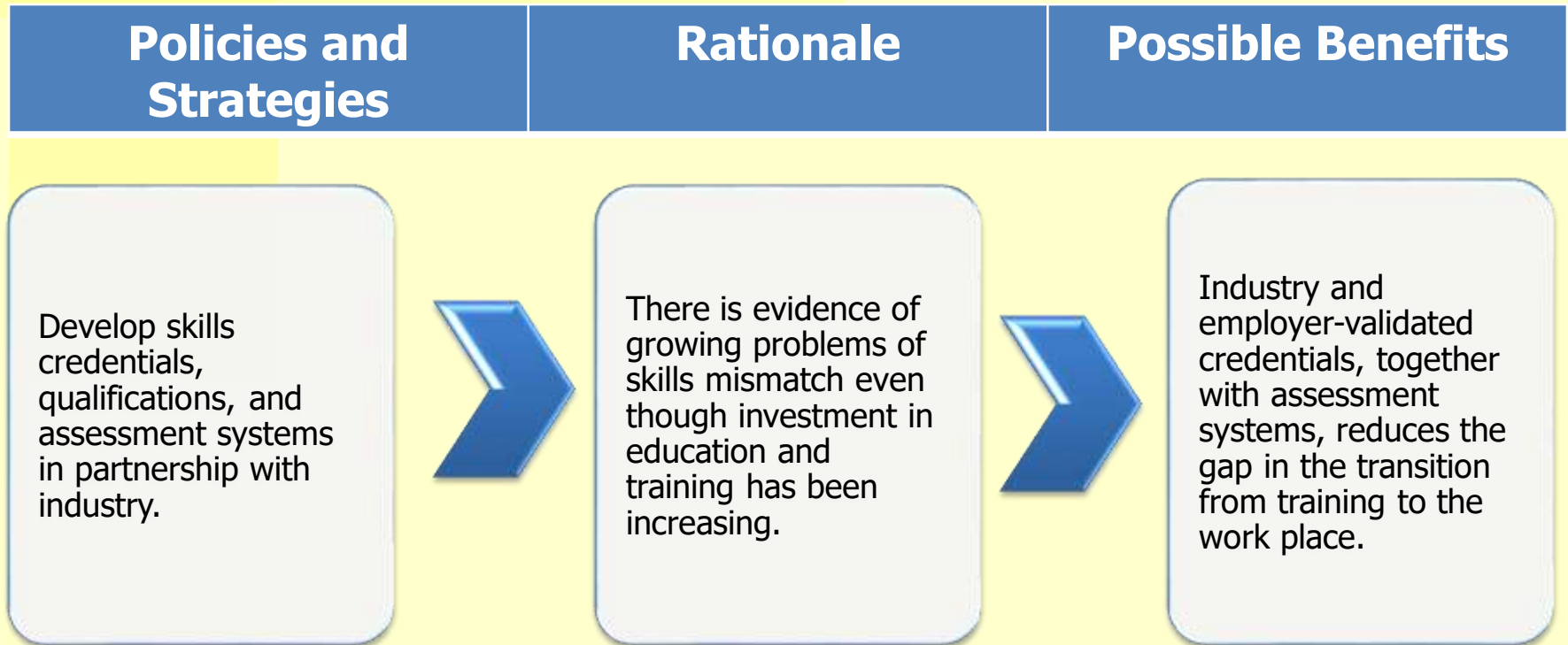


Informal labor markets dominate the Asian region; small and medium firms do not have adequate resources to invest in building and upgrading skills.



Small and medium firms are vital to increasing creativity and innovation in the economy; therefore, skills development for the small and medium enterprises sector will have good spin-offs.

Skills for Competitiveness, Jobs, and Employability in Developing Asia (Cont.)



Skills for Competitiveness, Jobs, and Employability in Developing Asia (Cont.)

Policies and Strategies	Rationale	Possible Benefits
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Develop skills that facilitate linking suppliers and customers, and communicating across cultures.



In an increasingly globalized world, effective communications are crucial for the competitiveness of companies.

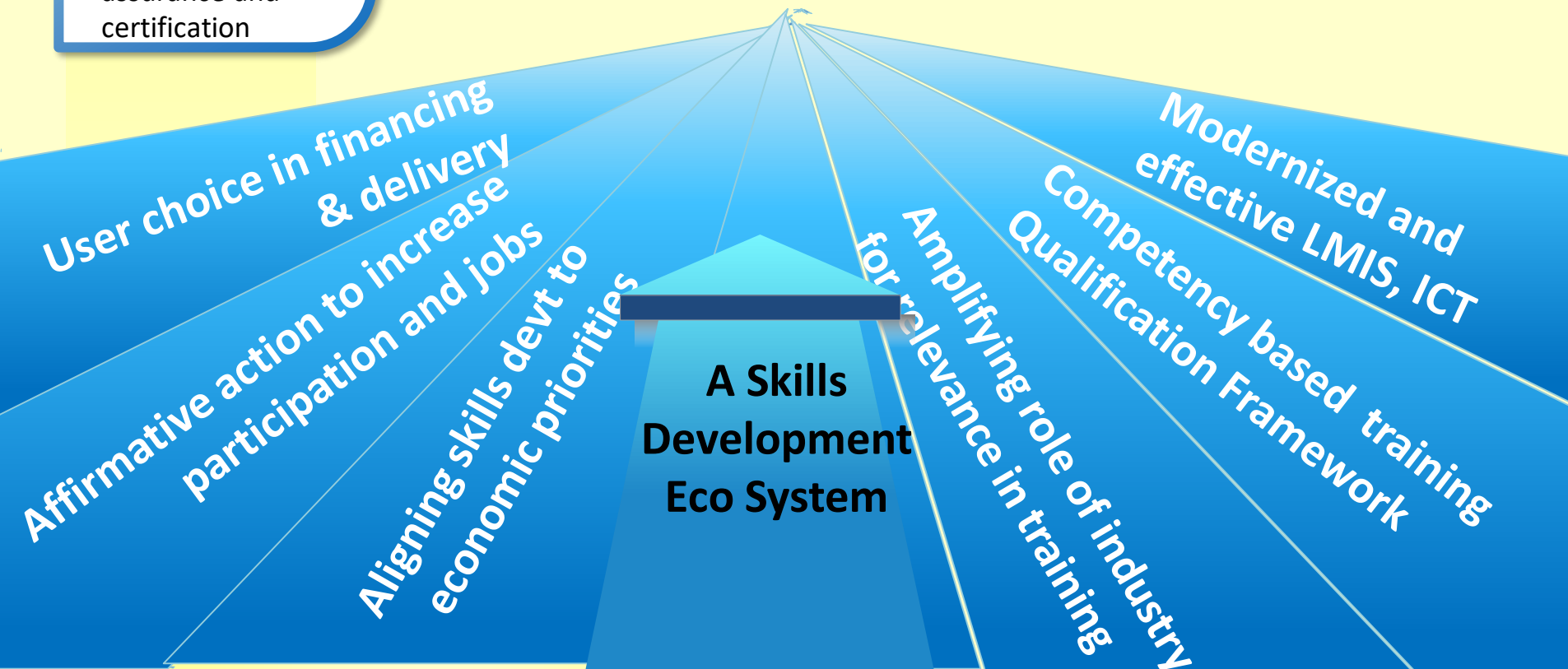


Economies can create borderless workforces capable of supporting global value chains; broader and transferable skills are also developed in addition to technical skills.

Skills Development – Building an Eco System

- Skills eco system:
 - Industry for demand side
 - Government for regulation and affirmative action
 - Professional bodies for quality assurance and certification

Constituent Elements

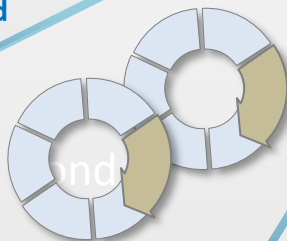


Skills Development Projects – ADB Approach



Strategy Approach

Move from skills development to workforce development; improving relevance and fit; bridging with the world of work



Process Approach

Innovative delivery of training; modular approaches; work place solutions; participation of private providers; collaboration with employers



People Approach

Work for different demographic profiles; for large populations; disadvantaged communities; life long learning and upskilling opportunities; scholarships, stipends for girls, ethnic groups



Sustainability Approach

Strengthen sustainable financing of skills development but also skills for sustainability such as green sectors



Business Approach

Accelerate economic and industrial progress – support core growth sectors of the economy. Redress skills mismatch for employers; leverage new, technologies and ICT

ADB BRIEFS

Key Points

- ## Skills for Inclusive and Sustainable Growth in Developing Asia and the Pacific

The growing prominence of Asian economies and its potential, against the backdrop of globalization and technological progress, is leading to long-term changes in trade, business, and labor markets. Asia's economies have achieved remarkable growth rates. According to the ADB in its latest *Asian Development Outlook*, if Asia continues to grow at its recent rate, it could account for 51% of world GDP by 2050, compared with 17% in 2000.

Jobs and skills are primary challenges for developing economies. Furthermore, there is also a growing concern of rising inequality. How do skills training systems support skills acquisition and employment? How do they contribute to economic growth and social progress with labor markets and institutions to ensure skills development with changing industry needs? These are good questions and issues from different research areas and regions that need address skills development policy making? There are some of the questions that were addressed at the A20-sponsored International Council on Talent and Skills for Inclusive and Sustainable Growth in Developing Asia-Pacific in Manila, 12-14 December 2011. The event brought together Asian top-level professionals to government, the private sector, and academia. A range of sessions on strengthening skills development systems and technical and vocational education and training (TVET) were discussed at the forum, particularly in the context of addressing

ISBN 978-02-8902-013-5
 ISBN 2218-2475
 Publication Stock No. 68812475

Available comments are gratefully acknowledged from: Susan Tay (SEU, Maastricht), David Brown (SEU, Maastricht), Paul Bontier (University of Colorado Community College, Canada), Qing Chen (National Natural Development Cooperative Fund), Ruyi Chen (Hong Kong Institute of Education), Stephen Firth (SEU, Maastricht), Xiaohong Lin (SEU, Maastricht), and Xuebin Lu (SEU, Maastricht).

ADB BRIEFS

Key Points

- ## Skills for Competitiveness, Jobs, and Employability in Developing Asia-Pacific

Dorothy Gerstman
Education Officer
Regional and Sustainable Development
Department
Asian Development Bank

Intervener than

The AEO International Skills Development Forum, held at AEO headquarters in December 2012, discussed key policy questions and critical skills development. It was the first of a series of meetings to follow the AEO International Skills Forum in December 2011. Discussions on import/export, technical and vocational education and training (TVET), national health, universities, international organisation, policy research think tanks, and private sector representation discussed skills development for import/export and sustainable livelihoods. Of special importance to the forum was the discussion on the importance of major centres from five of participants on skills and jobs that were released in 2012. This had been prepared by drawing on presentations and documents at the 2012 forum and other related materials. Links to

New Sources of Growth and Competitive Advantages

Emerging markets in Asia continue their upward progress in delivery of goods in the region. Moving beyond its well-known advantages in labour and low-cost manufacturing, emerging economies are now perceived as promising markets in their own right. It is estimated that 70% of global growth over the next five years will come from emerging markets (Ernst & Young 2012). The International Monetary Fund (IMF) foresees that the total gross domestic product (GDP) of emerging markets could constitute that of the developed economies as early as 2045 (IMF 2011).

The continued advancement of emerging markets will influence the future global competitive landscape in a number of ways. First, domestic markets in emerging economies will become the primary battleground. As a result of rapid growth, developing economies will become increasingly competitive with established nations. In addition, the

ISBN 879 02 0254 325-4 (hard)
ISBN 879 02 0254 321-1 (pb)
ISBN 2671-7302 (library)
ISBN 2218-2675 (PDF)
Subscription Stock No. 2011/01134

Valuable comments are gratefully acknowledged from: Shweta Aggar (Business Process Assessment of the Bijuapuri), Gwendolyn Barrocas (Philippine Transportation Company, Davao City Chang 9281572), Rajni Mathan (Hong Kong Institute of Education), Cristina Martinez (SECC), Rajesh Pruthi (SECC, Manila), Robert Schumann (International TAT Career Center), Nisha Subramani (SECC), and Anshu Rana (SECC, Manila).

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Key Points

- ## Skills Development: Promising Approaches in Developed Countries and Emerging Economies

The transition

The ASEAN Intra and Skills Development Forum held in ASEAN headquarters in Manila in December 2002 provided a platform to share the knowledge and experience of advanced countries in their journey in writing up successful skills development programmes. The experiences of Australia, Germany, the Republic of Korea and Singapore were shared by leading practitioners and policy makers. Initiatives and progress of a number of developing countries in Asia were also shared. This brief has been prepared by drawing on presentations and documents at the 2002 Forum, and other related events. Details in these documents are provided on the last page of this brief.

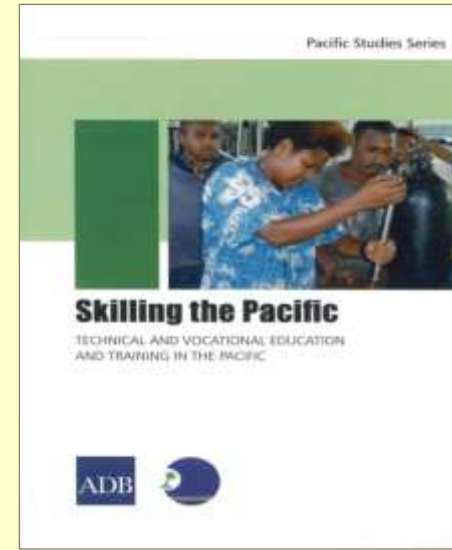
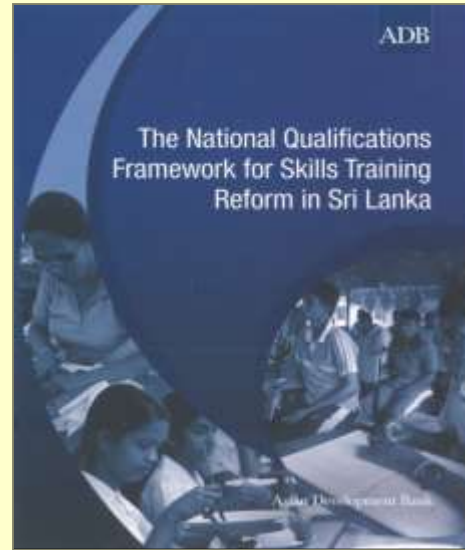
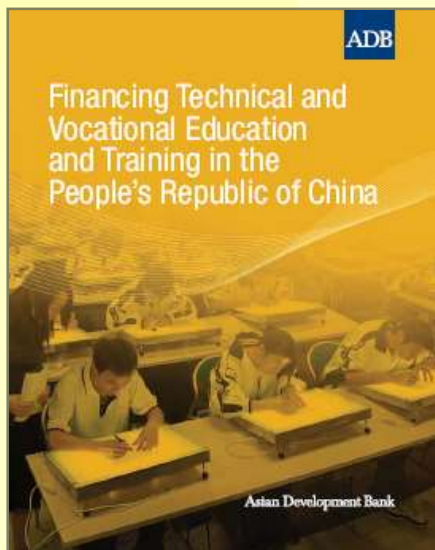
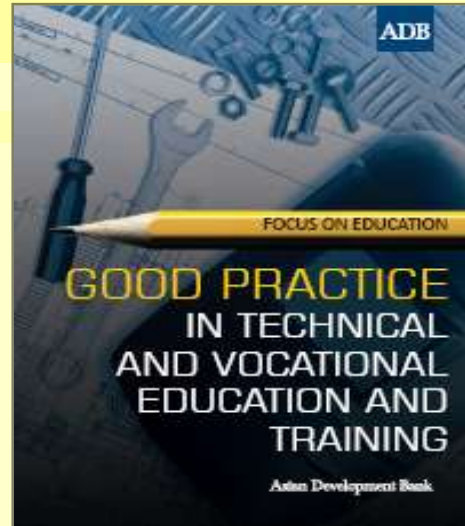
Recent trends and reports indicate that stability of labor is a key component of the long-term competitiveness of companies and nations. Capabilities are thus very much concerned with creating, developing, and retaining human talent. This has been the focus here. The Hays 2011 global talent index finds that 35 of the 36 countries surveyed are experiencing talent shortages, with engineers experiencing difficulties in recruiting skills being three times as high. In some countries, skilled labor markets have deteriorated. The *Global Talent Report of the Economist Intelligence Unit* (EUI 2012) indicates that in some half the countries surveyed as destinations, more than one-third of 7-year-olds are unable to solve developmentally appropriate problems in math. In Asia, with 40% of countries surveyed, only one-third of children can solve

ISBN 870-00-9254-319-7 (Perf)
ISBN 870-00-9254-330-3 (Pb)
ISBN 0275-7202 (Perf)
ISBN 0275-7275 (Pb)
Publication Stock No. 08P718/15

Yiqiang Chen et al. gratefully acknowledged their efforts from 2021, see Mun Chan (Mingyong) Ruyi Chen, Singapore, then-Chong Chong Research Institute for Vocational Education and Training, Tan Kah Kee Planning National Centre for Vocational Education Research-Banjulua, Ningqiang Institute (2021, Jakarta), Bayan Park (2021, Manila), and Kuala Lumpur (2021, Manila). Timothy Williams (2021, Manila) provided excellent research assistance.

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Recent Guides, Books, and Case Studies on TVET/Skills Development



Thank you.