



Asia-Pacific Economic Cooperation

Advancing Free Trade for Asia-Pacific Prosperity

# Preparing for the Future of Work

## The 2017 APEC Economic Policy Report on Structural Reform and Human Capital Development

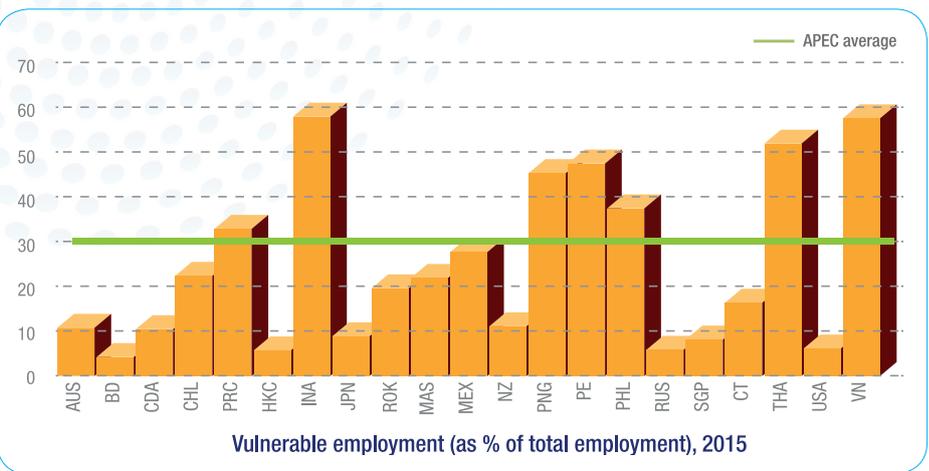
*“Inclusive and sustainable economic growth can be achieved by helping more workers access the education and training they require today, for the jobs of tomorrow. The 2017 APEC Economic Policy Report provides recommendations intended to help all APEC economies and their populations prosper in an increasingly global and digital economy.”*

- Rory McLeod, Chair, APEC Economic Committee

### Bridging the Skills Gap in the Asia-Pacific Region

APEC economies have identified structural unemployment and a skills mismatch as major concerns. There is a gap between the skills of workers looking for work and the skills required for emerging job opportunities.

In the Asia-Pacific Region, up to 30 per cent of those employed are classified as vulnerable workers. They are either own-account workers or unpaid family workers, which means they are less likely to have formal work arrangements and more likely to lack job security and benefits. In many APEC economies, entrants to the job market are often faced with uncertain and limited prospects for employment, training and career development. Vocational training programs are sometimes inadequate to help workers in declining industries transition to emerging industries. Structural reform in areas such as skills training, labour market regulation and social protection can help workers find and keep well-paying jobs, and ensure that the benefits of economic growth can be enjoyed by all.



### Recommendations for APEC Economies on Structural Reform and Human Capital

The 2017 APEC Economic Policy Report outlines the structural reforms - from basic education to skills training - that APEC economies could undertake to strengthen human capital at all stages of development, including:

- **Improve access to and quality of education and training**, particularly for women and other excluded groups. The report highlights the importance of quality basic education for all as the bedrock of human capital and skills development.
- **Develop labour and educational reforms to support the implementation of active labour market policies (ALMPs)**. ALMPs bring together skills development, employment and social protection policies, and labour market information systems (LMIS). ALMPs ensure a timely, coordinated and holistic approach to responding to skills gaps and mismatches in the labour market while providing information and income assistance to unemployed workers.
- **Involve the private sector in training and skills development**. The private sector has an important role to play in skills development of the workforce and is the best informed on their labour market needs. Advisory



committees could advise officials on skills abundance and shortages, needed additional training facilities, expectations on growth areas, and other matters. Where appropriate, apprenticeships could be encouraged with financial support for workers, and perhaps even for businesses that hire and retain those they train.

## What's Inside the 2017 Report

The 2017 APEC Economic Policy Report on Structural Reform and Human Capital Development begins with a discussion of structural unemployment caused by fundamental changes in an economy, such as shifting labour demand patterns (e.g., from international trade and global market shifts) and new technologies. The report reviews regulatory and policy issues that affect the labour market. It also reviews some of the human capital challenges facing the APEC region, such as improving access to education and training, tackling youth unemployment, and reducing barriers to women's participation in the labour market. It concludes with policy recommendations for structural reforms that can be implemented to strengthen human capital at all stages of development, from basic education and skills training to the implementation of active labour market policies.

Individual economy reports from APEC members provide insights into successes and challenges, future plans, and opportunities for regional cooperation in the area of structural reform and human capital development.



## Did you know?

As a result of comprehensive structural reforms in recent years, Indonesia has increased access to healthcare and Viet Nam has sped its transition to a market-based economy. See the annex to the 2017 APEC Economic Policy Report for details.

## Benefits of Structural Reform in Human Capital Development

