Technological change and globalization have brought about many benefits and opened new opportunities, but...

Technological change lowers the cost of acquiring and operating computers and machinery, making it easier to automate routine tasks. It also enhances management and monitoring of global value chains.

Globalization promotes technological change, efficiency and the development of global value chains, but can lead to offshoring production to locations with lower costs.

If this continues, it could lead to structural unemployment: displaced workers may not be able to keep up skills-wise with the fast-changing economy.

The Challenge of Inclusion
Snapshots from the APEC Regional Trends Analysis | November 2017

APEC Economies are Growing Faster

GDP GROWTH
In 2016, the economy of the APEC Region grew by 3.4%, outpacing the rest of the world, at 2.9%.

But this growth needs to be more inclusive

The share of labor compensation in GDP is an indicator of inclusiveness—how much the benefits of a growing economy are distributed.

But the labor share in APEC has been declining over the last two decades.

This is because of domestic reasons as well as two global causes:

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Something Could Be Done to Make Growth More Inclusive

IMPROVE ACCESS TO QUALITY EDUCATION AND SKILLS DEVELOPMENT FOR ALL.
Skills development—better education, apprenticeships, and lifelong learning programs—is essential for workers to access new opportunities in a changing economy.

DEVELOP COORDINATED ACTIVE LABOR MARKET POLICIES.
A holistic approach to training, labor market information, job counselling and social protection can provide support to displaced workers while helping them adapt to changing markets.

PROMOTE PEOPLE-TO-PEOPLE CONNECTIVITY.
Regional cooperation on cross-border education and training, labor mobility, and skills recognition will provide workers with more opportunities while helping to address skills gaps in the region.