

# Skilled Labor Mobility: The Business Perspective

Presentation by Antonio I. Basilio  
Chairman, PPEC

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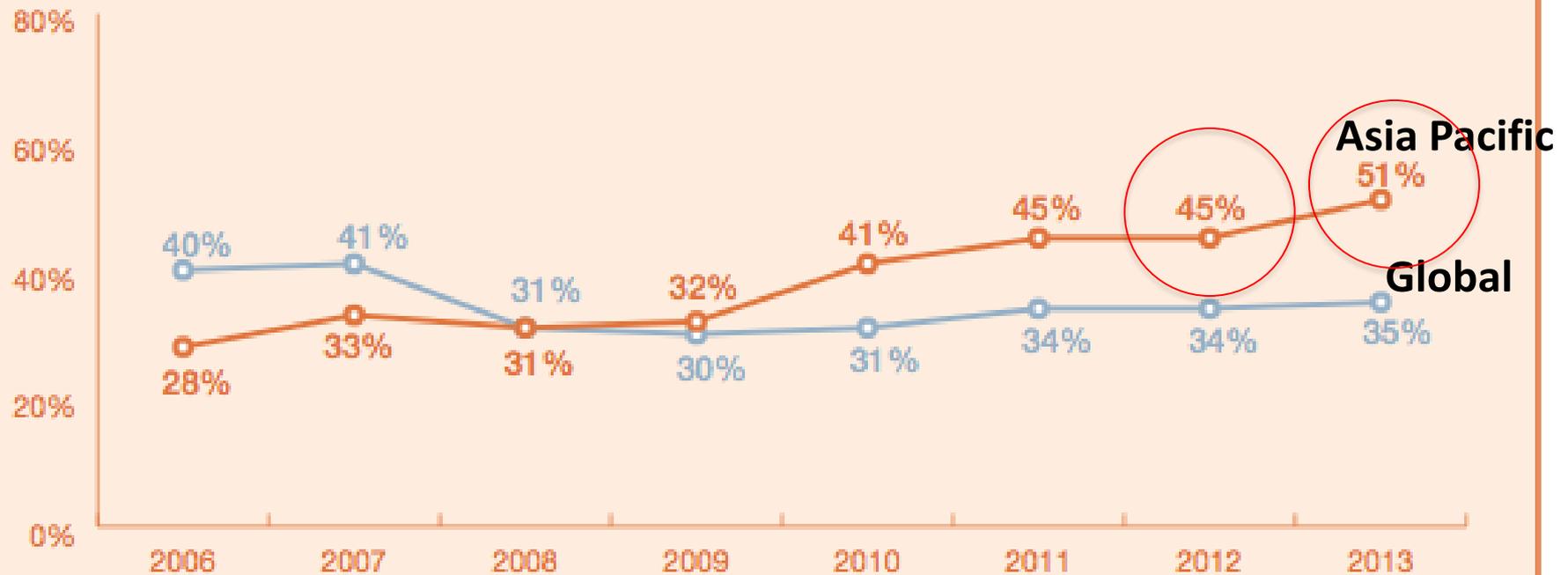


# The Situation

- In the next 30 years the world will experience significant workforce shortfalls and rapid structural change because of changes in technology and ageing populations.
- In some economies, the youth 'bulge' will create surplus labor and more challenges to reduce persistently high youth unemployment rates.
- A study by the Boston Consulting Group in 2014 projects significant worldwide labor force imbalances, in the next 20 to 30 years. The potential aggregate value of GDP foregone as a result of these imbalances could be significant, at about US \$10 trillion or more than 10 per cent of the total world GDP.
- ILO in 2015: "unless the shortfalls are offset through labor and skills mobility they will have long lasting implications for growth."

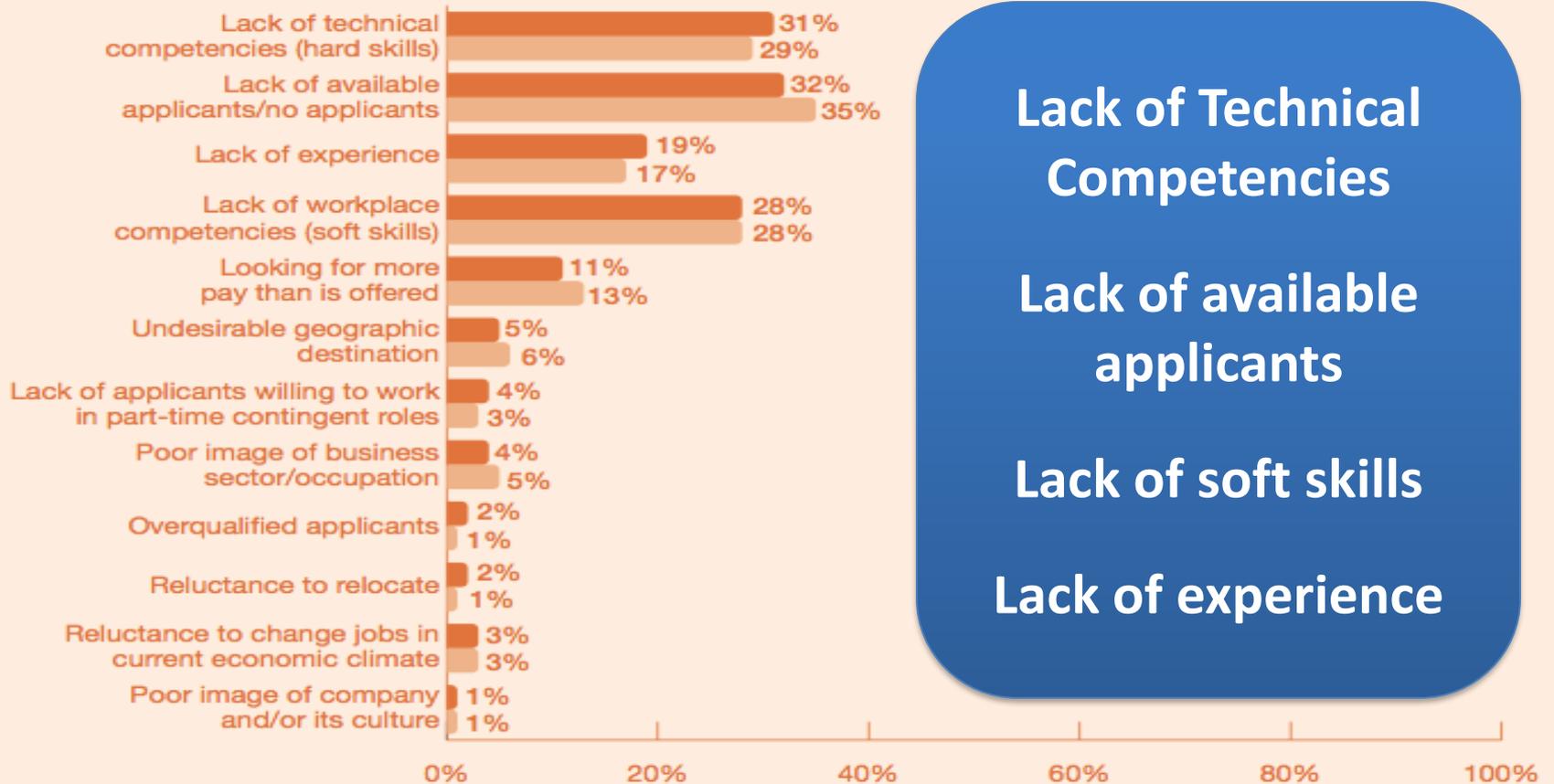
# The Situation

**ASIA PACIFIC: % HAVING DIFFICULTY FILLING JOBS**



# The Situation

## ASIA PACIFIC: REASONS FOR DIFFICULTY FILLING JOBS



# The Situation

**Skills shortages**

**Job mismatches**

**Lack of regulatory  
convergence of  
training standards  
and mutual  
recognition of  
training outcomes**

**Social/political  
dimensions of  
Migration**

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graph TD; A[Skills shortages] --- B[Job mismatches]; B --- C[Lack of regulatory convergence of training standards and mutual recognition of training outcomes]; C --- D[Social/political dimensions of Migration]; E[Inhibiting investments and economic development across APEC];
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**Inhibiting investments and economic  
development across APEC**

## Inadequate management of the challenge

- 33m international workers under age 20 worldwide – 40% in Asia
- Inadequate management of labor movement process
- Leading to unregulated practices and burdensome costs persuading workers to “go undocumented” – creating an immigration problem.

# Key Considerations: Societal concerns

## For the source economy

- Loss of human capital – sometimes permanently
- Social costs linked to long separation of families

## For the destination economy

- Uncoordinated approach by business, workers and regulatory agencies
- Impact on local employment situation
- Concerns about cultural differences and burden on social infrastructure, illegal immigration

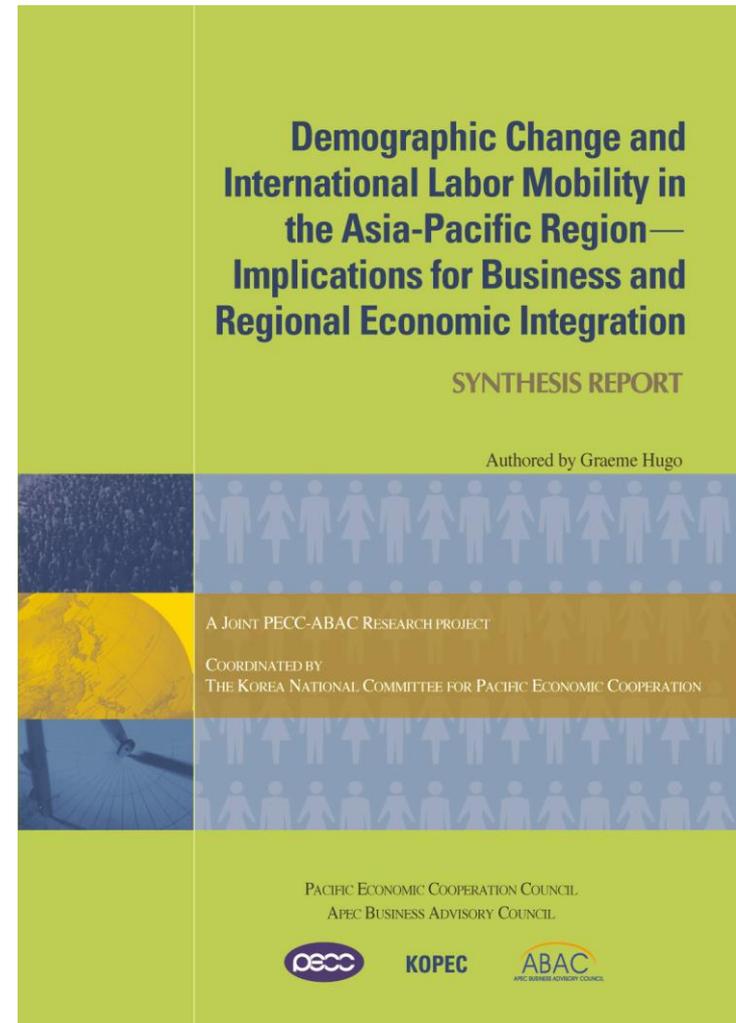
## For the workers

- Earn in secure and safe conditions; Learn while on the job
- Regularly return home with transferable skills and knowledge and with fully portable benefits

# PECC/ABAC/KOPEC Collaboration on Labor Mobility

## PECC/ABAC/KOPEC Collaboration on International Mobility in 2007-2008 conclusion:

“APEC can develop an action-oriented set of activities around the issue of international labor mobility that will significantly enhance the benefits to APEC economies, ease adjustment problems associated with migration, strengthen the transfer of human skills through migration, overcome increasing demographic and labor imbalances, and provide protection and enhanced well-being for those who migrate.”



# APEC response to date

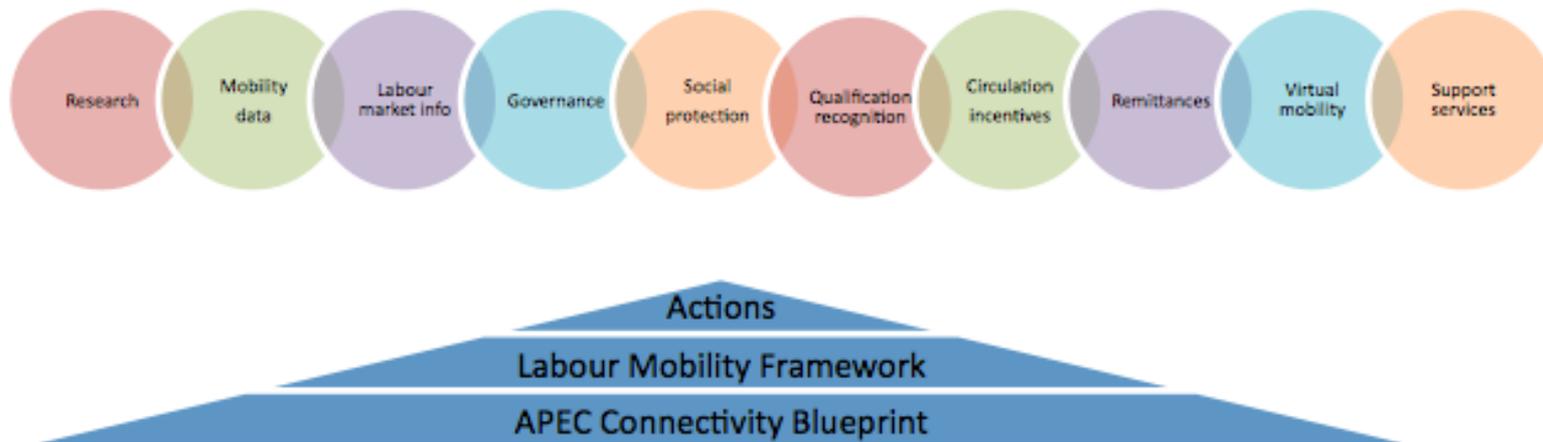
- September 2014 - 6th APEC Human Resources Development Ministerial Meeting recognized the significance of promoting the effective management of labor mobility.
- November 2014 - APEC Leaders encouraged member economies to “take effective measures to promote the mobility of ... labor in the region...”. They acknowledge that “much work needs to be done to ease existing barriers to interaction and mobility, and to develop joint endeavors that will support seamless flows of people”.

# APEC response to date

- APEC Connectivity Blueprint: Leaders “directed Ministers and Senior Officials to work with APEC fora to develop ambitious and measurable actions and targets under each of the connectivity pillars.”
- May 2015 - APEC Ministers Responsible for Trade reiterated “the importance of efficient and effective labor mobility that reduces unemployment and increases productivity.”
- HRD Ministerial Action Plan (2015-2018): Facilitating labor mobility recognized as priority area.

# APEC Labor Mobility Framework

A draft framework for supporting labour mobility in the APEC region



Prepared by the Australian Government Department of Employment, 22 April 2016

- Aims to support current and future efforts in APEC to achieve economic and employment growth through the mobility of labor and skills
- Will provide guidance on the type of collective, multilateral, bilateral and unilateral actions economies can take to address labor force imbalances, and the implementation of the APEC Connectivity Blueprint

*Framework was presented at SOM 3 for consideration*

# ABAC Three-pronged approach

- Comprehensive regional **skills map**
- Better **management of the movement** of international labor: the “Earn, Learn and Return” model
- Region wide **recognition of skills** and qualifications

# Earn Learn Return

- **Earn Learn Return: a new and practical set of ideas to manage regional labor mobility effectively**
- **Not seen as “one size fits all” approach**
- **Addresses the circumstances of different economies, sectors and occupations**
- **Will evolve as circumstances change**

# Three principles for developing supra talent in Asia-Pacific

*With three simple principles, APEC member economies can take a step-by-step approach to better coordinate mobility policies to develop supra talent for the benefit of all. These are:*

ELR concept developed in a 2015 study by PwC, ABAC's knowledge partner



***Decouple benefits associated with citizenship from the workplace***



***Fashion mobility policies at industry-level, rather than country level***



***Standardize and recognize industry qualifications across borders***

# Recognition of qualifications

**ABAC strongly supports current HRDWG work to improve region-wide recognition of qualifications**

- **APEC Occupational Standards Referencing Framework developed in 2015**
- **Not seen as “one size fits all”: build on the basis of pilots**
- **Priority sectors, developed in collaboration with sector-representative bodies (ICAO, IMO, WTTC):**
  - **Seafarers**
  - **Pilots and air traffic controllers**
  - **allied health workers**
  - **tourism industry workers**

# Developing a 21<sup>st</sup> Century Global Worker Model

- Examine industry specific-cases of skills mobility to understand how the ELR model can be applied to different sectors
- Develop recommendations for APEC economies to support the Global Worker Model to present to APEC HRDWG and BMG



## Healthcare Worker Mobility

Study by the Ateneo School of Medicine and Public Health and the Ateneo School of Government on how the ELR model can be applied to healthcare workers

A governance structure arranged by sector and tailored to each sector's specific needs.

(1)

A sector-based governance structure built around a new category called the **"APEC Worker"**

(2)

APEC-wide **regulatory convergence** on education and training, assessment and certification of skills and qualifications for each position in each sector.

The same governing body would also harmonize standards for education and training, assessment, and certification, and would ensure compliance of APEC members

## The 'Earn, Learn, Return' Model

(4)

A next-generation framework of new services for the APEC Worker, covering **insurance, social security, health benefits**, etc.

(3)

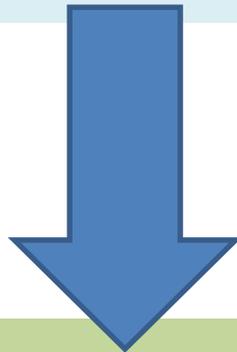
APEC-wide regulatory convergence on a **transparent and regulated** process for the recruitment, job placement, and deployment of workers

Circular nature of work contracts, with the worker returning home regularly  
Placement fees are paid by employers, not workers.  
Contracts are renewable to prevent overstaying.

Fresh, viable, and sustainable new category of services that transcend national regimes to meet APEC Workers' needs.

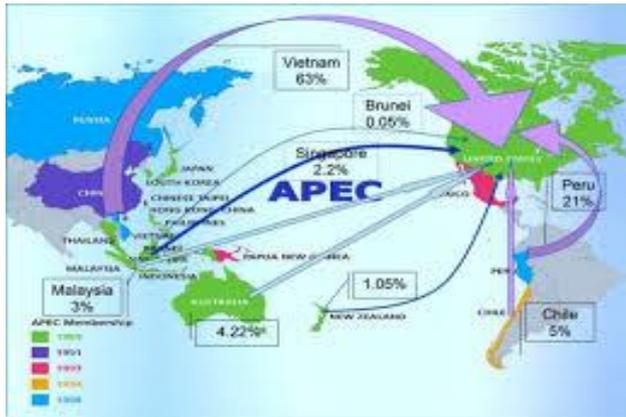
# Going forward

A **long-term, regional, and sector-based** approach to managing the movement of workers and workforce development.



**Sustained and inclusive** economic growth supported by workers with the **skills and qualifications** demanded and **recognized** by the labor market

# Conclusion



Asia-Pacific  
Economic Cooperation

- Seek a transparent and rational policy framework for the movement of workers
- Generate inclusive economic benefits for all economies, and all internationally mobile workers

Symposium on  
“Connecting the Connectivities in Asia  
Pacific”

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**Thank you**