

Event Report

A Better (Re)Start: The Future of Work for Young People
November 4, 2022 (Time Zone: Japan Standard Time)

The youth are particularly vulnerable to the disruptive changes taking place in the global economy, education, and in the job market. Pre-pandemic trends such as automation, digitalization, and globalization have changed the way people live and work. However, COVID19 has further complicated young people's lives by affecting them deeply and disproportionately.

Given these circumstances, the Konrad Adenauer Stiftung's (KAS) Regional Economic Programme Asia (SOPAS) and the Taiwan-Asia Exchange Foundation (TAEF) organized on November 4, 2022 the online conference "*A Better (Re)Start: The Future of Work for Young People*", which discussed in depth the trends and patterns within the global youth education and labor environment.

The conference opening remarks were given by **Ms. Rabea Brauer** (Country Representative Japan/ Director of Economic Programme Asia (SOPAS), Konrad-Adenauer-Stiftung) and **Prof. Michael Hsin-Huang Hsiao** (Chairman, Taiwan-Asia Exchange Foundation). **Ms. Chiao Ting Huang** from Taiwan's Ministry of Labor delivered the keynote speech. She highlighted the initiatives that the government of Taiwan are taking to improve young people's digital skills and preparedness for digital economy.

Panel 1 explained and discussed the systemic changes and post-pandemic labour market trends in Asia. It was moderated by **Prof. Michael Hsin-Huang Hsiao** (Chairman, Taiwan-Asia Exchange Foundation). The panelists were the following: (1) **Jayant Menon**, Senior Fellow, ISEAS – Yusof Ishak Institute, Singapore, (2) **Upalat Korwatanasakul**, Associate Professor, School of Social Sciences, Waseda University, and (3) **Christian Viegelahn**, Labour Economist, Regional Economic and Social Analysis Unit, International Labour Organization. The panel's discussion highlights include the following points below:

- The current transformations in the labour market can be characterised by two trends: digitalising economy and widening inequality. The digital transformation can improve economic inclusion by creating more jobs and the fourth industrial revolution can enhance inclusion through improved connectivity and info flows. Therefore, the government should focus on mitigating the negative consequences of the short-term disruptions.
- Young women and men are clearly more impacted by the crises caused by the pandemic. The proportion of youth not in education, employment or training (NEET) increased substantially through the pandemic.
- The net effect of the pandemic on economies, however, will be negative, when looking at GDP growth, unemployment, poverty and inequality. Recovery and improvement of these factors have been uncertain with trade and actual wars. The key to address inequalities in and between countries is to tackle rising unemployment amongst low skilled, informal, or undocumented workers.

- Although the pandemic highlighted the need to digitise technical and vocational education and training (TVET), a lack of general and technological infrastructure, resources, and teachers' skills at TVET centres prevented people from receiving necessary training. Unequal access to IT-related infrastructure and difficulties that students had in continuing learning exacerbated the skills gap and other social disparities.
- TVET can play a critical role in mitigating difficulties during the pandemic and in accelerating the recovery post-pandemic. In the short term, TVET can provide workers in various industries with upskilling and reskilling opportunities to deal with the labour market disruptions. In the long term, TVET can contribute to the economic rebound by providing students/workers with training on future-relevant skills.
- Implications on the youth and the labour market. The pandemic created a 'lockdown generation' referring to the group of children and young people whose education and training opportunities were significantly limited due to the pandemic-related restrictions. Employment of youth tend to be affected by the pandemic than that of older people, and such advantages have a long-lasting, 'scarring' effect on the future career of youth

Policy recommendations to address the issues raised in the panel include the following:

- Improve the quality of primary and secondary schooling and the health condition of children. Policy makers should not make light of the future impacts of stunting has- the mental and physical stunting that the pandemic has been impoverishing prevents children from developing their basic cognitive skills and literacy. This, in the long-run, can greatly reduce youth's potential to participate actively in the labour market in the future.
- Complementary policies to create local capital and financial markets are important in improving labour productivity.
- The government should focus on investing in the digital economy and infrastructure and in skills training to make the labour market more inclusive. Investments should be made in the green economy as well.
- Digitise and adapt learning environments of TVET. Restructure and improve the TVET curricula and teaching methods to turn the crisis into an opportunity.
- Improve employability through reskilling/upskilling opportunities and improved public-private relations.
- Adapt to new labour market needs. Provide support for developing skills that are responsive to digitisation and the fourth Industrial Revolution.

Panel 2 primarily discussed the work and needs for "future proofing" career opportunities and education policies. The panel was composed of (1) **Chey-Nan Hsieh**, Professor, Department of Labor and Human Resources, Chinese Culture University, (2) **Gabi Yen**, Project Manager, Talent Circulation Alliance Program, Digital Education Institute, (3) **M. Niaz Asadullah**, Professor of Economics, Monash University Malaysia & Southeast Asia Lead, Global Labor Organization, and (4) **Chi-Fu, Lin**, Chief Executive, Startboard. It was moderated by **Dr. Alan H. Yang**, Executive Director, TAEF. The panel's discussion highlights include the following points below:

- There is a disconnect between the actual labour market, and the policies that the government has put into place to protect the workers and their rights. But as a result of rapid technologization, employers will have the opportunity to change their policies and approaches quicker and more effectively than before.
- Innovation outpaces labor and employment regulation and is redefining the definition of work. With changing environment and technologies, the definition of “standard employment” no longer includes many service provisions; relations between employer, consumer, and labourer are complex.
- McKinsey and Company insists that governments should prioritise investment in as many as 56 distinct elements of talents (DELTAs) rather than skills. But this is just old wine in new bottles. While we keep on debating the right measures of cognitive and noncognitive skills for the 21st century, we should not overlook the more fundamental policy challenge – how to tackle the ongoing crisis in the global production of literacy and numeracy skills.

Dr. Alan H. Yang, Executive Director of TAEF gave the closing remarks.

A recording of the online conference is available here: <https://youtu.be/WY1yjRseTFI>

A Better (Re)Start: The Future of Work for Young People

The event was opened by Rabea Brauer, KAS Country Representative and SOPAS Director of KAS, and Dr. Hsin-Huang Michael Hsiao, Chairman of TAEF, followed by a keynote address by Chiao Ting Huang, Senior Executive Officer of Taiwan's Ministry of Labor. The forum was divided into two panels: 1) What is at Stake? Systemic Changes and Post-Pandemic Labor Market Trends, moderated by Dr. Hsiao; 2) Policies that Work: Future-Proofing Education Policies and Career Opportunities, moderated by Dr. Alan H. Yang, Executive Director of TAEF.

Keynote Address: Chiao-Ting Huang, Senior Executive Office, Ministry of Labor, Taiwan

Ms. Huang evaluated the current state of youth employment in Taiwan, pointing to recent trends which have impacted youth opportunities. She identified four key factors affecting youth. First is a lack of experience. Second is being unsure if a job is right for them. Third is a lack of relevant experience. Fourth is inadequate job interviewing skills.

The Ministry of Labor has implemented several programs to boost youth participation in the workforce. The Inter-ministerial Council Assisting Youth Employment is a one-year program which has been promoted through ministerial cooperation since 2019. The program provides career counseling and employment preparation for young people, granting them the opportunity to better understand their interests and skills early on. The goal is to develop a youth labor force that is knowledgeable of the available careers and skills that are demanded of them so they can make informed decisions when selecting a career. The Ministry of Labor and Ministry of Education also collaborated in promoting vocational training by hosting off-campus workplace visits for high school students to learn about potential careers.

Youth employment in the government is on the decline, which prompted the Ministry of Labor and Ministry of Education to organize outreach programs to high schoolers. This outreach both gauges students' interest in government employment and provides them with assistance in navigating the complexities of the government hiring process.

The Ministry of Labor is also equipped to provide unemployed youth with alternative methods of support. For youth employed for more than six months, the Ministry of labor offers several programs to encourage reentry into the workforce. These programs include employment consultation and subsidized training programs. .

Other programs such as the Hire First-Train later model allow youth to gain early access to new industries while also receiving training and mentor guidance on the job. Moreover the Jobseeker Grant Scheme lessens the burden on youth navigating the job market for the first time by providing youth employment services and financial support during the job-search process.

Youth offer valuable potential in new training and skill acquisition, serving as a fresh slate in the workforce. However, workers' skills still need to adapt to meet the growing demands of the labor market. To capitalize on this potential, governments must actively promote greater youth opportunities and easier entry into the job market.

Panel 1: What is at Stake? Systemic Changes and Post-Pandemic Labor Market Trends

Speaker 1: Jayant Menon, Senior Fellow, ISEAS — Yusof Ishak Institute, Singapore

Dr. Menon examined the impact of the COVID-19 pandemic on the world economy, finding that the world system is moving closer to a digital economy. E-commerce activity has been accelerating for

several years already, and now there are new forms of service delivery which have disrupted labor markets. Automation, robotics, and other labor-substituting technologies are spurring the greatest transformations and introducing major concerns over the viability of our current workforce. Low-skilled repetitive labor is being displaced by automation, and now high-skilled workers may face the same fate down the line as technology progresses.

In the long run, these digital transformations can create more jobs than they displace. However, there is an inevitable imbalance between the short-term and long-term effects. The short-term harms fall squarely on low-skilled workers whose jobs are being replaced by machines. These negative impacts are manifesting in unemployment, poverty, and greater income inequality. However, the long-term benefits will be dispersed over the whole economy in the form of greater productivity and economic inclusion. For example, greater access to digital tools has the potential to transform the agricultural industry. Access to affordable smartphones for farmers would increase connectivity and information flows and open up a new digital marketplace for vendors.

The digital economy is also transforming the flow of the labor market due to an increased need for labor mobility. Dr. Menon predicts that the volume of undocumented workers flows will rise substantially in the upcoming decades. This is further exacerbated by the divergent demographic trends in Asia. Many high-income countries in East Asia are facing an aging population, but at different rates, which creates an imbalance in the international labor market. At the same time, younger populations are concentrated in low-income countries. In the post-pandemic age, several countries, such as Singapore and Thailand are competing for skilled labor with new programs to attract high-skilled workers. Other countries such as Malaysia are questioning the need to return to pre-pandemic levels of low-skilled and migrant workers. However, they are finding that these low-skilled jobs can not be filled by local workers who are not willing to do those jobs at those wages. This is creating a skills mismatch, which places especially high pressure on the younger population. Meanwhile, the pandemic and its aftermath have reinforced trends undermining globalization such as nationalism and protectionism. As a result, Dr. Menon argues that the pandemic is increasing the need for labor mobility while at the same time reducing the appetite for labor mobility.

Dr. Menon suggests that if low-skilled labor mobility is too sensitive an issue, then using free trade organizations to promote trade can reduce these adjustment costs indirectly in the short-run. In the long-run, systemic changes in our labor markets and education system are needed to adapt to these changes. The emphasis should be on improving education early on in primary education to lay a good foundation for more specialized skills development down the line. Moreover, health outcomes are closely linked to labor productivity, as malnutrition and poverty in low-income countries can stunt development both physically and mentally. These broader social issues are intrinsically linked to the success and long-term preparedness of the labor force.

Speaker 2: Upalat Korwatanasakul, Associate Professor, School of Social Sciences, Waseda University

Dr. Korwatanasakul discussed the future of Technical and Vocational Education and Training (TVET) in light of disruptions due to the COVID-19 pandemic. During the pandemic, TVET programs were unable to provide students with hands-on technical training, which resulted in high dropout rates, low student performance, and lack of engagement by students. Moreover, the transition to online learning exposed the inequality in access to IT-related infrastructure, which resulted in the exclusion of disadvantaged students and teachers. Dr. Korwatanasakul particularly placed attention on disadvantaged groups such as women who were disproportionately impacted by these trends. These inequalities may further exacerbate the skills gap and other social disparities.

Despite these challenges, TVET offers promising potential in pandemic recovery. During the pandemic, TVET can help workers adapt to new high-demand jobs in e-commerce, agriculture, and manufacturing through short-term skills training. In the post-pandemic era, TVET can contribute to the economic rebound and build back better programmes through long-term skills transfer.

Dr. Korwatanasakul called attention to the disproportionate impact of the pandemic on youth, as the “lockdown generation” faces unemployment challenges due to two years of isolation and reduced work opportunities. Moreover, the industries hit hardest by the pandemic are those that are more frequented by young workers. In the labor market as a whole, the pandemic has introduced a new demand for practical service sector jobs in industries such as healthcare and technology. For youth seeking to enter these industries, on-the-job training is necessary, and TVET can contribute to skills preparedness.

Dr. Korwatanasakul offered three potential policy responses. First, learning environments must be prepared to digitize and adapt curriculum to increase accessibility and resilience. Second, programs should improve employability through targeted skills development and public-private partnerships. Third, programs must adapt to new labor market needs, especially given recent transformations in energy and digital technology. Long-term partnerships between industries, students, and educational institutions can start to lay this groundwork.

Speaker 3: Christian Viegelahn, Labour Economist, Regional Economic and Social Analysis Unit, International Labor Organization

Dr. Viegelahn contextualized the macroeconomic environment in the Asia-Pacific region. Income and purchasing power are on the decline, and the fiscal space is shrinking. Recent trends in employment show that young people have been most strongly affected by the pandemic compared to their older counterparts in the labor market. A large proportion of young people are neither employed nor in education or training, including a large gap between male and female labor participation. The early stages of a person’s career are most important, meaning that the lack of opportunities for youth at the moment can stunt their economic outcomes down the line.

Dr. Viegelahn argues that it is key to invest in the digital economy and digital infrastructure to endow everyone with the digital skills required to excel in the future economy. Moreover, there has been insufficient attention given to the potential of the green economy. Young workers may find promising opportunities in these industries since they can offer up necessary skills in creativity and adaptability.

Public services and social protection for young people faced with unemployment are also key to ensure that youth have sufficient time to find jobs that fit their experience and skill sets. Countries in the Asia-Pacific need a coherent strategy that focuses on young workers. However, plans that have been developed so far by countries in the Asia-Pacific have faced issues because they are not entirely realistic and overestimate the speed with which new skills can be acquired. Long-term success requires gradual change to government and industry policy alike.

Q&A Section:

Question for all speakers:

Economic recovery seems to be a necessary condition for improving youth employment. Can and will the countries’ recovery policies and recovery measures give priority to make sure that young people can get their jobs back and increase their job opportunities?

Dr. Menon emphasized the impact of the pandemic on educational outcomes, such as in youth literacy levels. Some industries are not just lacking trained workers, but are also lacking trainable workers who possess basic skills. The public education system is not adequately equipping youth with literacy and cognitive skills. This trend has existed for years, though it is especially serious following the pandemic's educational disruption.

Dr. Korwatanasakul views the COVID-19 pandemic as a catalyst for the digitalization of the economy and the Fourth Industrial Revolution. Now, it is clear that many countries are not prepared for this transformation due to a lack of adequate infrastructure and skills. TVET must equip students with easily transferable skills that can be quickly adapted to different sectors.

Dr. Viegelahn highlighted three factors in the post-pandemic recovery process. First, it is important to have a broad-based government commitment to support young workers. Often, labor and education ministries are not fully equipped to handle these concerns on their own. Second, these policies must be based on a common social consensus based on dialogue with employer associations and trade unions. Third, young people must be given a voice so that governments actively respond to their needs.

Panel 2: Policies that Work: Future-Proofing Education Policies and Career Opportunities

Dr. Alan H. Yang served as the moderator for this session, and framed the discussion around three goals: 1) increasing employability, 2) guaranteeing decent incomes, 3) improving job satisfaction.

Speaker 1: Chey-Nan Hsieh, Professor, Department of Labor and Human Resources, Chinese Culture University

Dr. Hsieh shared predictions about how the development of new technologies will affect employment structures. Atypical employment will soon outnumber typical employment, with some predicting that typical employment in the US will be as low as 9% by 2030. Non-fixed term employment creates a challenge for workers who will face lower incomes and lack access to healthcare security. Without government intervention, this will result in serious workforce fluctuation in the future labor markets. Another product of these industry changes is that gig and casual work will be much easier to match for employers and laborers.

Due to these transformations, the meaning of "work" may need to be fundamentally redefined. It will become increasingly difficult to identify the factors of subordination and workplace hierarchies as gig workers and digital services become more common. The previously established structure of social security, fringe benefit program, and the standard employer-employee relationship may entirely vanish. As a result, the state, market, and civil society need to develop new regimes to respond to these shocks.

Moreover, standards for working hours are undergoing massive changes. Working hours are becoming increasingly flexible with the rise of remote work, which introduces the need to adjust workplace policy. There must be a fair arrangement of remote and office work in a hybrid structure. Clear definitions for working hours are needed to ensure the safety, health, and legal protection of workers. Work schedules will likely become more stable and predictable, as last minute shifts and "on-call" requirements are phased out.

Dr. Hsieh also called attention to certain social and civic factors affecting the future of the workforce. He pointed to the recent trend of employers investing in technology designed to monitor and track the behavior of their remote employees. He emphasized that these technologies will be incompatible with future labor standards and that the right-to-disconnect should be protected as a worker's right. One area that holds promise is the development of tools to address inequality in the

workplace, particularly in addressing gender disparity. These human enhancement programs can contribute to inclusion of less privileged groups in the workforce.

Speaker 2: Gabi Yen, Project Manager, Talent Circulation Alliance Program

Ms. Yen introduced the work of the Talent Circulation Alliance Program (TCA), a public-private partnership between the Taiwanese government, like-minded countries, and the private sector. TCA is focused on facilitating the circulation of talent, cultivating a pool of international digital talent, connecting youth with resources in the job market, and addressing brain drain in Taiwan. TCA offers two internship programs: 1) bringing in international talent to Taiwanese companies, 2) sending Taiwanese students to international industries. This talent circulation fosters both outbound training and inbound talent, bringing mutual benefit to all participants. The program provides career development services, online learning resources, hands-on training, mentorship, and networking opportunities. Such programs are especially valuable for students who do not otherwise have backgrounds in information technology.

TCA's network includes 1,172 students, 36 colleges, and 45 partner companies. Students directly benefit from internship opportunities, which grant them valuable entry-level work experience, skills training, and exposure to new industries. Not only do students gain valuable international connections and career development opportunities, but participating companies also benefit from access to a large pool of trainable talent. A large number of internships are converted to full-time jobs after the completion of the program.

Ms. Yen finds that TCA participants excel in cross-domain digital skills, hands-on experience, professional networking, and proactive adaptation. There is substantial potential in Big Data and AI industries, which have a high demand for these transferable skills.

Speaker 3: M. Niaz Asadullah, Professor of Economics, Monash University Malaysia & Southeast Asia Lead, Global Labor Organization

Dr. Asadullah highlighted three key questions about the future of work: 1) How to define the skills that will be needed in the 21st Century labor market? 2) What are foundational skills 3) How can these skills influence employment, income, and job satisfaction?

First, in defining skills in the new economy, the future global labor market faces 3Ds: disruption, displacement, and digitalization. These trends are closely linked to the emergence of AI and automation and anxiety over how workers can stay employed and relevant. Workers must learn to complement machines with added value and adapt to evolving needs in the workplace. These "new economy skills" are analytical and interpersonal in nature.

Second, foundational skills are changing in response to emerging trends. A 2021 McKinsey Report identifies 56 "Distinct Elements of Talent" (DELTAs) which can be organized into 4 skill categories: cognitive, interpersonal, self-leadership, and digital.

Dr. Asadullah elaborated on the impact of these new skills and labor demands on future worker well-being. These new foundational skills have been found to be strong predictors of high wage and livelihood security. However, a global skills deficit remains a major challenge. School children lack basic skills such as reading and writing, which prevents them from accessing the higher-level skills needed for future employment. Improvements in formal schooling are necessary not only to enhance baseline skills, but also to build the soft and hard skills that will be most employable in the future. Social and emotional learning require just as much attention as literacy in future education policy.

Speaker 4: Chi-Fu Lin, Chief Executive, Starboard

Mr. Lin emphasized the importance of talent in the labor market, both for individual companies and for the economy as a whole. Many small companies in Taiwan lack the capital and resources to hire foreigners, which makes it difficult for them to access global markets. Mr. Lin stated that governments should take a more active role to create favorable conditions for companies. Small and medium-sized enterprises are most in need of government support to access international markets.

Taiwan needs to encourage more companies to adopt a global view when it comes to talent and hiring. More industries tap into international talent, as foreign workers can bring fresh perspectives. Diverse teams enjoy more creativity, inspiration, and exchange of skills and information. This holds mutual benefit for both Taiwanese and foreign workers. Taiwanese companies receive new insight that can be useful when trying to access foreign markets. Similarly, foreign workers gain exposure to the Taiwanese work culture and economic structure and experience with navigating Taiwanese industries. Underscoring the potential benefits for the Taiwanese economy, Mr. Lin emphasized the need for a concerted policy strategy by the Taiwanese government.

Q&A Session:**Question for Dr. Chey-Nan Hsieh:**

Q: As new technologies emerge to monitor workers' activity, how do young talent find a healthy balance between work and personal life? For employers, how can they support their employees during the transition to new styles of work?

A: On the macro-level, the state's power should increase and serve as a provider of social welfare for workers through occupational training, education, and employment services. On the micro-level, the state should fairly arbitrate the new definitions of work. There will be a need for government intervention in the market to settle the disputes that emerge. Non-governmental organizations and human rights groups will also play a larger role in overseeing workers' rights.

Question for Gabi Yen:

Q: In terms of the outbound and inbound activities of TCA, are there any positive responses from the New Southbound Policy partner countries?

A: Among program graduates, a significant number of students who stay in Taiwan for permanent jobs are from New Southbound Policy countries. Because the TCA program is partially funded by the government, we have a close relationship with the New Southbound Policy. The New Southbound Policy is at its peak now in terms of attracting and circulating talent.

Question for Dr. Asadullah:

Q: Beyond the white-collar labor force, how do we provide sufficient support to blue-collar laborers?

A: There is a shift in the demand for talent from blue-collar labor to white-collar labor as more blue-collar jobs get replaced by automation. However, there is still a section of blue-collar labor that requires creativity and personal skills. Our job is to upscale workers so that they build on those skills. Even

though technology is eliminating a lot of jobs, it is also creating new job opportunities. Skills adaptability will be key for blue-collar workers to learn how to complement machines rather than be replaced by them.

Question for Chi-Fu Lin:

Q: What will be the next step for Starboard? Have you found any similar or like-minded organizations or start-up accelerators in India or Indonesia, since we have been working with them under the New Southbound Policy?

A: We have several partners in India, Indonesia, and other New Southbound Policy countries. We hope to serve as a bridge between Taiwan and these countries in South and Southeast Asia. Talent circulation will be a valuable asset in promoting these relationships.