The Human Capital Internationalization of ASEAN and Its Implication To Our Workforce
Yu Ming Chin
Executive Director
Viventis Search Asia

Impact on Jobs
Disruption
Is ASEAN Ready For The Fourth Industrial Revolution?
Labor Productivity
Technology

The New ASEAN Order

The ASEAN Economic Community (AEC)

- A free economic region characterized by free movement of free movement of **goods, services, and investments** as well as freer flow of **capital and skilled labor.**
- Has a combined GDP of **US $2.4 Trillion**
- The **3rd fastest growing major Asian economy** after China and India
- The **5th largest economy** in the world

Source: ASEAN.org

The New ASEAN Order

ADVANTAGES

- Preferential market access
- Expanded job market
- Similar and converging regulations
- Transfer of technology
- Risk diversification
- Incremental contribution to regional growth

The ASEAN Economic Community (AEC)

ISSUES

- Higher costs
- Income inequality gap
- Inflation and unequal purchasing power
- High disparate levels of economic development
- Workforce skills gap
- Political and socio-cultural diversity

Source: Asian Development Bank & International Labor Organization, ASEAN Community 2015: Managing Integration For Better Jobs and Shared Prosperity (2015)

Impact of ASEAN Integration To Human Capital

- Generate millions of jobs
- Extend mobility of workers and students
- Improve education and training systems
- Increase demand for skills
- Attract and retain skilled workers by offering better wages

CHALLENGES

Underemployment **Unemployment**

The ASEAN Workforce Structure

41%

Works in **Agriculture** sector

Vietnam, Myanmar, Indonesia, Lao PDR, Thailand, Cambodia

40%

Works in **Services** sector

Singapore, Malaysia, Philippines, Brunei Darussalam

19%

Works in **Manufacturing** sector

Brunei Darussalam, Malaysia

Source: World Economic Forum (2016).

ASEAN Labor Market Conditions

The ease of finding skilled employees are strong in **Malaysia, Singapore, Philippines,** and **Indonesia.**

Country	Ease of finding skilled employees (7=easiest, 1=hardest)	Average monthly wage (US$)	Workers in vulnerable employment (%)	Incidence of child labour (%)
Cambodia	3.4	121	64	18.3
Indonesia	4.3	174	36	6.9
Lao PDR	3.1	119	83	10.1
Malaysia	5.3	609	22	–
Myanmar	2.4	–	89	–
Philippines	4.4	206	42	11.1
Singapore	4.8	3547	9	–
Thailand	3.8	357	56	8.3
Vietnam	3.4	181	63	6.9

Note: "Workers in vulnerable employment" refers to the number of unpaid family workers and informal sector "own-account workers" as a share of total employment.

Transferability and Recognition of Education and Skills

Is there a regional standard or protocol for certifications?

Multilateral Country to Country Credentialing

How can professionals from one ASEAN nation qualify to work in other ASEAN nations?

Function of Talent Supply & Demand

Is there enough supply of talent for the demand for high-skilled and medium-skilled jobs?

What happened in recession?

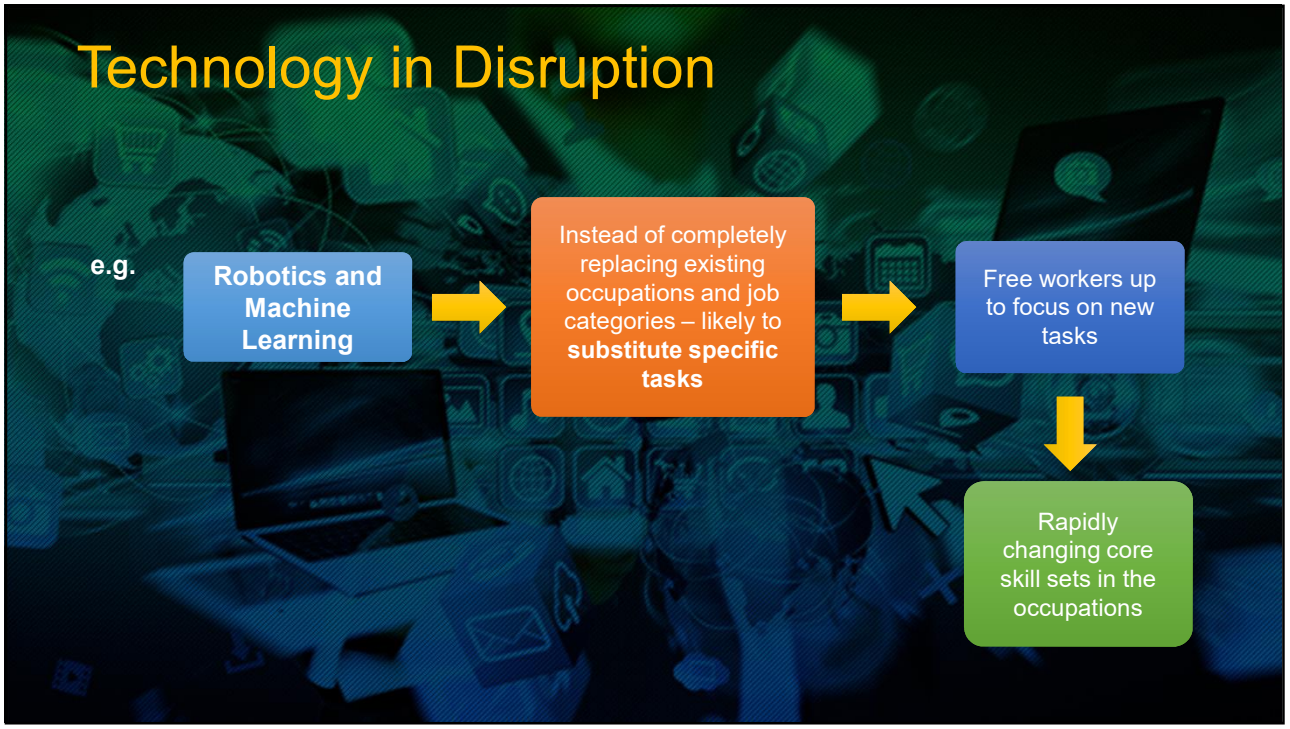
Salary and Compensation Disparity

Are ASEAN professionals, men and women alike, paid equally and generously?

Technology in Disruption

- Across nearly all industries, the impact of technological and other changes is **shortening the shelf-life of employees' existing skill sets.**
- Big percentage of workers in **Agriculture** → Mid- and low-skilled workers
- Technology affects education, skills, and competencies in the region – Multi-regional online learning and upskilling
- Vital Adoption of IT Literacy, Artificial Intelligence (AI), and Relevant Robotic Proficiency

Technology in Disruption



Technology in Disruption

"By 2020, **more than a third of the desired core skill sets** of most occupations will be comprised of ***skills that are not yet considered crucial*** to the job today."

- *Future of Jobs Analysis, World Economic Forum*

Relevant Skills For The Fourth Industrial Revolution

- **Technical Skills**
- **Analytical Skills**
- **Social Skills**
- **Creative Skills**

The Future of the ASEAN Workforce

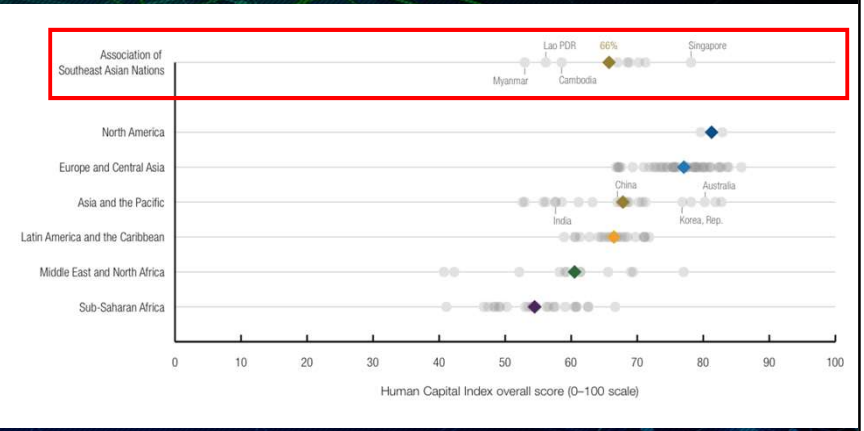
Learn From The "Failure" of the EU

Strategic Insights From The EU Crisis

- Social Integration and "Protection" of In-Country Natives
- Proper Anticipation of Market and Employment Contraction
  - Britain First
  - America First
  - Singapore First
- Harmonization of Education and the Workforce

Is ASEAN Globally Competitive In Terms of Human Capital?

- The development and deployment of ASEAN's human capital potential ranged from **53%** of the ideal situation in Myanmar to **78%** versus the ideal in Singapore.
- ASEAN is on par with the wider Asia region and Latin America. Some are also way ahead of the Middle East and Sub-Saharan Africa.



Source: Human Capital Index, World Economic Forum

"The numbers add up for ASEAN as it **steps out of the sidelines onto the global stage.** It needs to **keep investing in infrastructure** that will generate real growth and shared prosperity - growth that will continue to drive the economies of its countries. It must focus on its youth population by **investing in jobs, skill building and training** to meet the needs of both traditional technical requirements and those of the digital future. And it should **deepen innovation** – developing hardware and software solutions to meet the real-world challenges of its diverse communities."

World Economic Forum

The Human Capital Internationalization of ASEAN and Its Implication To Our Workforce
Yu Ming Chin
Executive Director
Viventis Search Asia