

The 26th Pacific Economic Community Seminar

Examining the Mid- and Long-Term Structural Unemployment in Asia-Pacific

Date: 13 - 14 October 2011

Venue: Imperial Hotel Taipei

INTRODUCTION

The global financial crisis that spanned from 2008 to 2009 had serious impacts not only on economic development but also on labour markets of the Asia-Pacific region. Unemployment became one major economic issue during the financial crisis and its impacts remain in the post-crisis era. The global GDP growth dropped tremendously in 2008, went down further in the first quarter of 2009, and started to recover since the second half of 2009. However, some global forecasts warn that unemployment rates in most economies will remain high and that they would have great influence on economic security even after the economy started to recover. Therefore, accelerating the sluggish recovery of job markets is essential for ensuring healthy economic revival as well as maintaining social stability today.

Unemployment as a lagging economic indicator is outperformed by leading indicators in most Asia-Pacific economies, and has become a problem facing many decision makers in the region. In economic theory, unemployment can be classified into frictional, cyclical, structural, and classical types. The natural rate of unemployment is considered as sum of rates of frictional, structural, and classical unemployment. The cyclical unemployment rate is supposed to be zero when the economy is in full recovery or in a boom. However, in many Asia-Pacific economies, current unemployment rates are still much higher than the pre-crisis level despite a strong GDP upturn, which implies that the unemployment problem is no longer cyclical but structure-related.

Unemployment is not only a critical economic phenomenon but also an extremely urgent issue in social safety nets policy making. Firstly, increasing unemployment, according to [Okun's Law](#), may result in declining production. Secondly, high unemployment means fewer job opportunities, less income, lower consumption, and worse living conditions. Thirdly, structural unemployed labourers are more difficult to be absorbed in existing labour markets, and this long-term unemployment trend may form a vicious circle where social problems further undermine economic dynamics. That is, poverty, uneven income distribution, family dissolution, high suicide and crime rate could add to fiscal burden of social welfare expenditure and meanwhile hamper economic development.

Furthermore, in the Asia Pacific region, structural unemployment is an evident phenomenon undermining socioeconomic inclusiveness considering that structural unemployment has greater impacts on vulnerable groups, such as women and unskilled workers. High structural unemployment implies that economic growth in the post-crisis era is constrained in promoting quality of living, and implementing effective policies taking both economic and social perspectives into account has already become governments' challenge and responsibility. Failing to do so would the profound socioeconomic impacts of structural unemployment issue worsen social divergence and eventually lead to political instability.

To address and study causes and impacts of structural unemployment on the Asia Pacific region in the post-crisis era, Chinese Taipei Pacific Economic Cooperation Committee (CTPECC) initiated the PECC international project: "Examining the Mid- and Long-Term Structural Unemployment in Asia-Pacific". The key objectives of the 26th Pacific Economic Community seminar are: a) to thoroughly examine the structural unemployment issues, phenomena and relevant impacts; b) to analyze and explore factors that have caused structural unemployment; and c) to identify potential solutions to the problem of structural unemployment in particular economy or the region.

PROGRAM

Thursday, 13th October 2011

Session I: 2:00 pm – 4:00 pm

Session Chair	Dr. David S. Hong	President, Taiwan Institute of Economic Research/ Vice Chair, CTPECC	
Speaker	Dr. Sherry Kong (Australia)	Australian National University	30 min
Discussant	Dr. James P Vere	University of Hong Kong	10 min
Speaker	Dr. Chen Bo (China)	Shanghai University of Finance and Economics	30 min
Discussant	Dr. Shankaran Nambiar	Malaysian Institute of Economic Research	10 min
Floor Discussion (Q & A)			30 min

Coffee Break (20 min)

Session II: 4:20 pm – 6:20 pm

Session Chair	Dr. Sheng-Cheng Hu	Academician, Academia Sinica	
Speaker	Prof. Naoki Mitani (Japan)	Kobe University	30 min

Discussant	Dr. Ke-Jeng Lan	National Chung Cheng University	10 min
Speaker	Prof. Robert Dekle (USA)	University of Southern California	30 min
Discussant	Dr. Hui Weng Tat	National University of Singapore	10 min
Floor Discussion (Q & A)			30 min

Welcome Dinner at 6:30 pm or APEC 20th Anniversary Dinner

Friday, 14th October 2011

Session III: 10:00 am – 12:00 noon

Session Chair	Dr. Mignonne Chan	Executive Director, Chinese Taipei APEC Study Center	
Speaker	Dr. Shankaran Nambiar (Malaysia)	Malaysian Institute of Economic Research	30 min
Discussant	Prof. Naoki Mitani	Kobe University	10 min
Speaker	Dr. Ke-Jeng Lan (Chinese Taipei)	National Chung Cheng University	30 min
Discussant	Prof. Robert Dekle	University of Southern California	10 min
Floor Discussion (Q & A)			30 min

Lunch

Session IV: 2:00 pm – 5:00 pm

Session Chair	Dr. Darson Chiu	Director General, CTPECC	
Speaker	Dr. James P Vere (Hong Kong, China)	University of Hong Kong	30 min
Discussant	Dr. Chen Bo	Shanghai University of Finance and Economics	10 min
Speaker	Dr. Hui Weng Tat (Singapore)	National University of Singapore	30 min
Discussant	Dr. Sherry Kong	Australian National University	10 min
Floor Discussion (Q & A)			30 min