

## **PECC Statement at the 50<sup>th</sup> Human Resources Development Working Group**

### **Closing Plenary**

**Jeju International Convention Center (ICC), Jeju Island, the Republic of Korea**

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On behalf of the members of the Pacific Economic Cooperation Council (PECC), we thank you for the opportunity to address this distinguished gathering. The APEC Human Resources Development Working Group (HRDWG) remains steadfast in its mission to enhance the well-being of all people and foster sustainable, inclusive economic growth. Central to this effort is the development of 21<sup>st</sup> century skills, the integration of human resources into the global economy, and a comprehensive approach to the social dimensions of globalization. PECC's work aligns with these objectives and supports the HRDWG's 2025 theme: "Connecting, Innovating, and Prospering: Education, Training, and Employment Strategies to Build a Sustainable Tomorrow." In pursuit of this vision, PECC's priorities focus on four key areas: advancing 21st-century skills and lifelong learning, promoting female workforce participation, addressing youth unemployment and joblessness, and reinforcing the critical role of governments in workforce development.

#### **Advancing 21st Century Skills and Lifelong Learning**

The rapid emergence of new technologies, particularly artificial intelligence (AI), is reshaping economies and labor markets across the Asia-Pacific. Findings from PECC's State of the Region (SOTR) 2024-2025 report underscore the urgency of addressing these disruptions, with "rapid technological change and artificial intelligence" identified as a top priority by APEC leaders this year. This necessitates a continuous upgrading of skills across all age groups, highlighting the imperative for sustained investment in lifelong learning programs, interdisciplinary education, and adaptable pathways that equip individuals to meet evolving job requirements.

The increased accessibility and affordability of technological tools (such as smartphones, predictive analytics, and social listening) offers unprecedented opportunities to advance lifelong learning modalities. Moreover, collaborative models among education institutions, private sector, and governments are essential to enhance the quality and relevance of education. Such cooperation facilitates knowledge transfer and ensures that educational offerings address the needs of both mature and emerging economies, preparing the workforce for the demands of the future.

#### **Promoting Female Workforce Participation**

The demographic challenge of aging populations is no longer confined to a few economies; it is now a region-wide concern, as revealed by PECC's State of the Region (SOTR) 2024-2025 report. 65 percent of the respondents expressed significant apprehension about the impact of aging populations, and 71 percent of them agreed that their economies will face an aging crisis within the next two decades if nothing is done. To address this demographic challenge, increased female workforce participation can be one of the solutions.

The United Nations Development Index data to highlight a persistent gender pay gap: men in the region earn, on average, 34% more than women. This disparity underscores the urgency of implementing the APEC La Serena Roadmap for Women and Inclusive Growth, which calls for policies to close the gender pay gap and promote non-discriminatory employment practices. Yet, the SOTR 2024-2025 reveals a divergence in perceptions between government and business sectors. While 55 percent of government respondents said "equal pay for equal work" as very important, only 42 percent of private sector respondents shared this view. This gap signals the need for greater effort to realize truly inclusive and equitable labor markets.

### **Addressing Youth Unemployment and Joblessness**

Youth in the Asia-Pacific have long faced unstable employment prospects and this situation was exacerbated by the COVID-19 pandemic. Even before the pandemic, more than 80 percent of young employees (aged 15-24) worked in the informal sector. Youth unemployment rates have remained stubbornly high, with East Asian youth three times and Southeast Asian youth six times more likely to be unemployed than adults. According to the International Labor Organization's report "Global Employment Trends for Youth 2024: Asia and the Pacific", the job security for the region's youth appears to be deteriorating, as the share of young people in temporary employment has risen from 20 percent in 2000 to 28 percent in 2023.

PECC sees the need to address youth unemployment as failure to do so increases the risks of intergenerational poverty and inequality, among others. A multi-pronged strategy is required which can include providing social safety nets and facilitating opportunities for young people to return to university to update their knowledge. Notably, the SOTR 2024-2025 points out that while new technologies can disrupt jobs, they may require certain skills favoring younger workers. This presents a potential advantage in tackling youth unemployment.

The growing credibility and acceptance of online programs among top universities and employers further support these efforts. The APEC Study "Mutual Recognition of Professional Qualifications in the Asia Pacific: Lessons from the Inventory of Mutual Recognition Agreements in APEC" shows an increase in mutual recognition agreements (MRAs) for professional qualifications among APEC members. However, they are currently limited to a few economies and professions. Therefore, expanding MRAs should be a way forward. It will not only address youth unemployment but also strengthen cross-border supply chains, particularly in the services sector.

### **The Role of Governments in Workforce Development**

Governments play a pivotal role in supporting upskilling and reskilling. Coordinated, inter-ministry and inter-agency approaches are required. It is because workforce development spans multiple domains – i.e. from addressing skills gaps (by Ministry of Labor/Manpower), and providing fiscal support (by Ministry of Finance), to updating curricula (by Ministry of Education), promoting economic integration (by Ministry of Trade and Industry), and enhancing connectivity (by Ministry of Transportation).

There is also a crucial need to engage young people and future generations in decision-making processes, especially on issues that directly affect their lives, such as education and skills training. Their perspectives are valuable in shaping policies that are both relevant and effective.