

# Executive summary

## OECD-Southeast Asia collaboration on the OECD Skills Strategy project

This *OECD Skills Strategy Southeast Asia* identifies priority areas for action for Southeast Asia and provides tailored recommendations for improving its skills outcomes. The Skills Strategy has benefited from the insights of a wide range of government and stakeholder representatives through the OECD Policy Questionnaire, written input on performance within the three dimensions of the strategy and stakeholder consultations with a wide variety of actors in Southeast Asia. This process provided invaluable input that shaped the findings and recommendations in this report.

## Key findings and opportunities for improving Southeast Asia's skills system

In Southeast Asia, megatrends such as globalisation, technological progress, demographic changes, migration and climate change are transforming jobs, the way society functions and how people interact. These megatrends have many repercussions in Southeast Asia, including for workers struggling to reskill and upskill quickly enough to adapt to changes in the world of work, and employers who often encounter difficulties in finding the skills they need as productivity becomes a more important driver of the region's economic growth. The coronavirus (COVID-19) crisis has accelerated the digitalisation of learning and work, disrupted the economy and increased the risk of inequalities in education and labour markets in Southeast Asia. The Russian Federation's 2022 invasion of Ukraine has led to high volatility in the stock market, contributing to a rise in inflation and wage pressures, which further exacerbate prevalent skills shortages in Southeast Asia's economy.

These megatrends and challenges reinforce the need for Southeast Asia to design forward-looking and dynamic skills policies. To thrive in the world of tomorrow, people in Southeast Asia, especially those from disadvantaged groups, need access to high-quality opportunities to develop and use their skills over the life course, which would help them transition out of informality, boost productivity and promote individual and societal well-being. In line with these goals, Southeast Asia has already implemented a range of relevant strategies at the regional level: the Association of Southeast Asian Nations (ASEAN) Comprehensive Recovery Framework and its Implementation Plan (2020), the ASEAN Declaration on Human Resources Development for the Changing World of Work and Its Roadmap (2020), and the Consolidated Strategy on the Fourth Industrial Revolution for ASEAN (2021), among many other strategies, that have a strong focus on skills. In the context of Southeast Asia's ongoing medium- and long-term planning initiatives, the region has a unique window of opportunity to put skills at the top of the agenda to positively influence the megatrends, tackle the challenges and seize the opportunities facing the region.

To support these efforts, the performance of countries in Southeast Asia has been assessed against the three dimensions of the OECD Skills Strategy. These dimensions and the key findings are summarised below.

### ***Dimension 1: Developing relevant skills over the life course***

To improve their performance in developing relevant skills over the life course, Southeast Asian countries need to expand the offer for high-quality education and training opportunities, especially at higher levels of education and later stages of life, and to reduce barriers to participation for all. Particular attention must be paid to facilitating participation among key vulnerable groups in the region, such as informal workers, women, learners from remote rural areas, low-skilled adults, migrants, individuals from ethnic and cultural minorities, and learners with disabilities, among others. This requires stronger collaboration with a wide range of stakeholders, including from industry, to ensure an alignment between training offers and labour market demands, as well as the improvement of the quality of learning through increased human, financial and data capacities of countries in the region. Southeast Asia can improve its performance in this area by:

- broadening access to skills development
- increasing excellence and equity in skills development
- developing skills that matter.

### ***Dimension 2: Using skills effectively in work and society***

To boost economic development and foster social cohesion, Southeast Asia needs to promote participation in the labour market and facilitate the full use of people's skills at work and in society. Countries in the region still face multiple barriers to formal employment, especially among disadvantaged groups, and the use of skills in everyday life, such as through civic engagement and leisure activities, could be improved. There is a need to increase awareness about economic and societal benefits that accrue from both adopting high-performance workplace practices (HPWPs) and participating more fully in civic life, as well as to encourage these actions among firms and individuals respectively. As the region aims to move up global value chains and boost economic growth, fostering demand for higher-level skills and creating opportunities for innovation and entrepreneurship will be important. Southeast Asia can improve its performance in this area by:

- promoting participation in the formal labour market
- making intensive use of skills in work and society
- increasing demand for higher-level skills.

### ***Dimension 3: Strengthening the governance of skills systems***

Southeast Asia's skills systems could benefit from a more comprehensive approach to skills governance, where a shared understanding of skills-related objectives is fostered among relevant ministries and across all levels of governance. More could be done to increase engagement with stakeholders outside of government, such as with employer organisations, trade unions, and civil society groups, to make skills policies more inclusive and better aligned with labour market needs. Co-ordination among a wide range of these actors inside and outside of government could be improved to help the region respond to various challenges in its skills systems, such as the lack of data that could better inform skills policies, and inadequate financial arrangements to implement skills policies. Southeast Asia can strengthen the governance of its skills systems by:

- promoting a whole-of-government approach
- promoting a whole-of-society approach
- building integrated information systems
- aligning and co-ordinating financial arrangements.



**From:**  
**OECD Skills Strategy Southeast Asia**  
Skills for a Post-COVID Recovery and Growth

**Access the complete publication at:**

<https://doi.org/10.1787/923bfd03-en>

**Please cite this chapter as:**

OECD (2023), "Executive summary", in *OECD Skills Strategy Southeast Asia: Skills for a Post-COVID Recovery and Growth*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/ce40d78f-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.