



Wilton Park



Report

**Meeting the ASEAN skills challenge: How do economies prepare for a Net Zero future?**

Monday 21 – Wednesday 23 November 2022 |  
WPE1754



## Report

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**In association with the UK Department for International Trade and Pearson Education**

This Wilton Park dialogue, held in Vietnam, was the third in a series focused on skills development in ASEAN, with previous meetings in Kuala Lumpur in 2016, and Bangkok in March 2018. A virtual conference in November 2020 examined the effects of the COVID-19 pandemic on education and skills around the world.

## Executive Summary

The conference brought together experienced leaders from Government, key employers, and education providers from across the Asia Pacific and the UK to look at the challenges facing all three to draw together some common themes and explore best practice.

The key themes of the discussion included:

- The effect of Net Zero and climate change on the demand for skilled jobs.
- Enabling mobility: upskilling and reskilling.
- Driving innovation through education and workplace partnerships.
- Integrating 'hard to reach' groups for the benefit of wider society.
- The value of lifelong learning and employability.
- The dependency of the UN Sustainable Development Goals on skills.

This conference formed part of the UK's Plan of Action following the approval of the UK's application for Dialogue Partnership with ASEAN. At the South-East Asian Ministers of Education Organisations (SEAMEO) Ministerial conference on TVET in Brunei in September 2019, Ministers adopted a resolution to actively participate in the next Wilton Park Skills and Education Dialogue.

The Wilton Park dialogue explored how countries face the question of ensuring sufficient skilled workers are available for the Net Zero world. There was a particular focus on how economies can grow the right number of students with, for instance, green engineering skills, data analysis skills or AI skills, in an uncertain environment without wasting effort or duplicating unnecessarily. With a focus on the potential of human capital approach, economies can develop workforces with key skills, such as lifelong learning, evidence-based decision making or creative confidence, while refining employer needs. Within this, emphasis was placed on the role of government in ensuring opportunity for all in these new jobs. Those responsible for skills policy and its implementation can draw on international efforts to meet the UN Sustainable Development Goals as both a guide and measure of success.

## Background

Despite the devastating impact of COVID-19 on the education sector, the pandemic highlighted that even while facing increased adversity, students showed an overwhelming drive to continue learning and developing. Educators in schools, colleges and universities rose to the challenge of mitigating damage by adapting to alternative methods of teaching, learning methodologies, and where possible, rapidly introducing technology into their practice. Wealthier economies inevitably fared better than those with limited access to resources, however in many cases, a real sense of ingenuity and a dedication to creative problem-solving has flourished. The pandemic has reinforced the value of skills and given the importance of continued learning a much higher profile around the world. At the end of this acute phase of crisis, it was vital to take this opportunity to observe and learn from other countries' successes and failures.

However, pandemics are not the only crises which have the potential to derail the education sector; skills training and teaching must also adapt to the global climate crisis and the implications of Net Zero economies to humanity. As a region particularly vulnerable to climate change, Southeast Asia is balancing a rapidly growing young workforce with mitigating the effects of climate insecurity. Expanding workforces create greater demand for skilled labour, and a need for training opportunities towards employment. Vietnam is a particular example of this trend, with a rapidly growing working age population.

As a nation which pledged at COP 26 to reach Net zZero by 2050, and which aims to be a modern, industrialised, and middle-income country by 2030, Vietnam was therefore a pertinent host for the conference. Vietnam has been successful in linking education into its national development goals with a variety of campaigns targeting different areas. The 'Skilling up Vietnam' campaign required a focus on developing green and digital skills, while the TVET (Technical and Vocational Education and Training) strategy was implemented to meet the diverse labour markets, focussing on the quality of skills in each state. While striving to build smart cities with smart labour, Vietnam noted that governments and employers within ASEAN faced common challenges including:

- Improving the quality of the workforce for the future
- Responding to an increasingly complicated job market
- Ensuring opportunities for all in new job markets
- Speeding up transformation

Alongside tackling these challenges, Vietnam discovered that skills training must also overcome several key issues including an image problem, chronic underfunding, a lack of skilled trainers and training positions. All these issues combined have led to a lack of parity of esteem with higher education. There are also issues surrounding quality, assessment, and systemic flexibility.

Increasingly, the evidence suggests that the education sector would benefit from a move away from the idea that students learn once in life, instead advocating a requirement towards lifelong learning. Learning skills are becoming increasingly important in basic education, along with skills associated with communication and teaching values. As technology and virtualisation become ever more present in our society, particularly encompassing robots and AI, employers will need high quality human resource capital to manage and mitigate their effects.

Indeed, employers continue to be key stakeholders within skills training, particularly when it comes to investing in skills and lifelong learning. Good partnerships with governments and education providers can help effectively identify which type of skills to support, particularly in relation to economies in transition. To this end, the green economy is providing an excellent example, where the sector is developing technology at an impressively rapid rate. Employers stressed the importance of embedding learning into school curriculums, but governments can develop solutions to connect education providers and employers, to ensure continued lifelong training and workforce skilling. This conference was an important opportunity for knowledge sharing and discussion about actionable objectives to inspire workforces with the importance of lifelong learning.

### **ASEAN success stories: celebrating what works well**

To meet the future skills challenge, it is important to reflect on the successes and limitations of previous strategies. Education organisations across ASEAN have taken different approaches, but there has been some consensus on strategy through wide engagement within SEAMEO, (Southeast Asia Ministers of Education Organisation). SEAMEO predates the creation of ASEAN and brings together the 11 ministries of education in ASEAN (it includes Timor-Leste as an 11th member). With 26 centres in 11 countries, it is an important contributor to success in the region with a focus on education, science, and culture. SEAMEO aims to support its members by gathering data and sharing best practice in training, skills development, and knowledge-sharing. ASEAN also has other forums like the ASEAN TVET Council, ASEAN Business Advisory Council and the ASEAN Future Workforce forum focussing dialogue and knowledge sharing across ASEAN. By retaining these spaces for dialogue, ASEAN stands in good stead to progress towards meeting the demands of the future skills challenge.

Looking to the future, SEAMEO are conducting several dialogues at national level both inside ASEAN and with their partners, discussing the need for higher level skills to keep up with the growth in automation and AI. With 650 million people in the region, access to quality education and skills training is very difficult. Additionally, labour market information systems are still lacking, rendering it difficult to address the gap between supply and demand. For many ASEAN members, their large populations also create enormous challenges in providing quality skills provision. For this reason, policy best practice and advice on TVET governance is critical.

Students within ASEAN countries are aware that the region is attracting significant attention from overseas investors. This has led to increasing interest in courses with an international dimension which provide opportunities to work overseas. In Vietnam education providers, such as the International School of Business in Ho Chi Minh City, are now offering students a wider choice of opportunities to gain international qualifications. Student courses delivered in English often include the opportunity to study abroad, depending on funds, and students are also guaranteed access to visiting professors from a growing list of partner countries. Within these cohorts, 75% of graduates find work in multi-national businesses after graduating. A key component to this success is continually working with employers to ensure the curriculum remains relevant. If courses are not up to date, industry professionals are invited to assist in adjusting any shortcomings and refreshing courses to ensure validity. Going forwards, mutual recognition of qualifications could be a key driver for positive change in the region.

## **Meeting the skills challenge: the future**

In the era of Net Zero and Industry 4.0, ASEAN members are facing several key challenges. A significant challenge concerns how countries can provide a job-ready generation with the skills required for sustainable long-term employment. Governments, employers, and skills providers across the ASEAN region strive to come together to equip young people with the lifelong learning skills and capabilities required for the 21<sup>st</sup> century. In addition to this, there is no doubt that Industry 4.0 presents a significant challenge for skills providers, governments, and employers, however, demand for skilled workers servicing Industries 1.0-3.0 will also still be required.

Collaboration between the UK and ASEAN provides case studies and insights on shaping innovation and driving policy through effective knowledge sharing. Among many innovative and impactful approaches to building skills, several core examples have emerged. Countries such as the Philippines, Malaysia and Singapore have all implemented green skills programmes, knowing that promoting a green culture and community is essential in meeting the skills challenge. Similarly, promoting the differentiation between compulsory education and lifelong learning plays a key role in building strong foundations for future skills.

There is a need for greater focus on teacher capability, updating standards and embedding the standardisation of skills into legislation. Governments may seek to concentrate on removing the administrative burden placed on providers and businesses, allowing them to focus on in-service training programmes and ensure there is space and bandwidth for professional development. Additionally, teachers could benefit from encouragement to share best practice and learn from peers. ASEAN/SEAMEO are well placed to develop this kind of cooperation. Although Industry 4.0 presents significant challenges, it is also a key part of the solution. Providers and governments may look to Industry 4.0 for potential solutions.

## **Can the UN Sustainable Development Goals provide an answer?**

The SDGs can be used as a driver to achieve growth and success through focussed interventions in skills. Within this, by using the SDGs as a foundation for change and innovation, they can provide direction, along with measurement and assessment capabilities. The SDGs provide a strong blueprint for skills training, particularly SDG4 which is to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, clearly seeks to address the skills gap, and advocates for ensuring growth in collaborative and innovative ways. Three targets under SDG4 directly drive the skills agenda, sharpening focus on ensuring accessibility and equity within education.

Not only do the SDGs represent a valuable framework for delivery across sectors, but they also pose new questions and challenges. By allowing tracking of impacts through effective ranking frameworks, the SDGs offer a means to quantify outcomes through monitoring and measurement. As intended by the spirit of the SDGs, tracking of government and university performances allow progress to be observed over time. However there are some limitations to this, for example that vocational education providers are not included in global rankings. It was pointed out that ASEAN scores below medium in relation to SDG8 about decent work and economic growth.

Some questions remain over whether educators and providers are in the right conversations regarding meeting the skills challenge. Credit was given to Vietnam for leading the way and making enormous progress in foundational education, which is fundamental for the development of skills. Structural issues within ASEAN limit their capability for recognition, and an accreditation system from respected and well-informed organisations was proposed as a necessary step.

COVID-19 has dealt a hammer blow to progress, but there was a pre-existing crisis in education already. Foundational skills need to progress for future workforce needs. Vietnam offers a strong example of how improving overall access to education can have a transformative effect on skills acquisition. It is important to recognise that no country has achieved a highly trained workforce without ensuring a base foundation of access to secondary education.

## **The impact of the pandemic on education**

There is no doubt that with the impact of the COVID-19 pandemic on education, technology has become critical to the sector. Examining lessons from the pandemic, the contribution of technology in supporting resilience and innovation cannot be understated. Conversely, lack of fair access to technology and an imbalance in resource sharing has engendered new forms of educational impoverishment. The pandemic massively accelerated the rollout of technology and technology-based learning; however, it also emphasised the importance of non-technological issues. Not all the challenges in skills education delivery are technological, and questions have been raised around whether apprenticeships or other methods of training are also challenged by the tech gap. These are all issues worth considering.

Countries across ASEAN took different approaches to mitigating the damaging effects of the pandemic. By discussing and dissecting the various approaches, it is possible to note their successes or relative limitations. Vietnam focused on developing digital teacher skills and occupancy skill standards, not only in schools but also in enterprises. In the Philippines, teachers found themselves learning alongside their students, creating major challenges in meeting the demands of the pandemic and delivering effective education.

To relieve the burden on teachers, more non-teaching staff were hired, and comprehensive in-service teacher training was rolled out alongside pre-service training in digital skills. Thailand focused on data tech and analysis, rethinking the curriculum, innovating for higher education, and designing a new programme for assessment and evaluation. Indonesia saw teachers themselves as the driving force; encouraging teachers to share best practice and inspiring a movement to listen and learn from each other.

Where most countries in ASEAN moved to some form of hybrid learning, in Cambodia learning went 100% virtual during the pandemic. As some skills cannot effectively be taught verbally, this presented a significant challenge and brought concerns about widespread loss of learning. Cambodia has maintained a traditional teacher training system for many years, but the pandemic reinforced the need for an updated curriculum to include the use of technology. Brunei and Malaysia both focused on accumulating online resources, and Malaysia even had two dedicated educational TV channels broadcasting in rural areas with content by real teachers. Visual workshops for vocational education worked well, with textbooks converted to e-books to allow remote learning.

It is evident that ASEAN member states adopted different approaches to mitigating the enormous impact of the pandemic on education. The extent to which countries focused on involving teachers in the first instance varied, with some opting to focus on new technology rather than upskilling teachers. Despite varying approaches, it is apparent that the impact of COVID-19 has strongly reinforced the importance of skills in the education sector. Moving forwards from the pandemic, ASEAN member states may aim to become more robust in their capabilities to deliver high quality education in challenging conditions. Indeed, the need to embrace technological solutions must not replace the need for human skills and services.

## What does the education sector need to provide the future?

Industry collaboration is essential for skills delivery and meeting future workforce needs. It could prove fruitful for providers to begin utilising workforce development data from industry, as harnessing this information and transforming it into useful intelligence could provide greater direction to future skills providers. Industry representatives ought to be encouraged to accept that the development of a skilled workforce is a shared responsibility, as well as to recognise the link between a skilled workforce and returns on investment. It is in everyone's interest to adequately prepare populations for a more demanding workplace, and collaboration between education and industry is essential to make a real impact.

Looking to the future, the ASEAN region can represent a crucible for change as economic forces drive up demand and the need for upskilled workers continues to grow. Workforces across ASEAN are growing exponentially; in Vietnam, for example, in the coming years the Vietnamese workforce will need 9.7 million additional jobs, increasing the workforce demand in the country from 53.4-63.1 million. To meet this demand, there are several factors that the education sector could consider when developing their skills and training programmes.

These include:

- A need to utilise tailored approaches to provide opportunities to those with Special Educational Needs (SEN) and Disabilities, in addition to female and 'harder to reach' students. Accessibility and equitable opportunities must be centred.
- Considering the context of social norms in ASEAN while developing plans for the future of education. For example, in Cambodia, of 1000 students only 550 will finish primary school, 430 will finish secondary school, and only 270 will go on to further education. For many, the choice to go to TVET or vocational training is not about education, it is about economic opportunities.
- Parents lack of support for TVET was flagged as an issue. In the Philippines, it was suggested that a rebrand of TVET image was necessary to encourage parents of the merits of the programme. Showing pay scales to prospective parents to monetise competencies was explored as a potential avenue to build trust.
- Social context varies by country, for example in Brunei, despite significant demand for agriculture, people prefer to work in offices and do not want to return to agricultural practices. This may limit the number of students interested in learning related vocational skills and could be considered in the development of specified training courses.
- Public awareness and perception are generally in need of improvement across ASEAN regions. Suggestions included a focus on quality assurance to build up a positive image, enhance the capacity of TVET lecturers, and connect employers into conversations and partnerships.

## Reaching the 'hard to reach': talent development in difficult times

Combined with proactive engagement, policy developments can support a fully inclusive approach that provides skills for all. However, to deliver on inclusivity, it is fundamental that education and training systems increase participation by women and girls, and other underrepresented groups. This involves identifying skills gaps and ensuring the onboarding of the skills talent required in blended education and the remote working world. To develop the skills agenda, providers and employers could work together to provide remote skills that deliver competent, confident workers to meet role requirements, taking a rapidly changing workplace and employment culture into account.

There is no doubt that the COVID-19 pandemic presented a major challenge for both educators and students. However, a need for alternative methods of teaching significantly propelled digital interventions in education delivery. How these impact underrepresented groups is vital. This has in turn engendered a need for alternative approaches to develop and identify skilled talent which align with new ways of working while still meeting business demands. Major changes to workplace environments and a shift to remote working have created a new outlook on management, but there is more to be done to identify and develop managerial potential in this realm. Adapting to these seismic shifts in real time requires engagement, collaboration, and cooperation across all sectors to deliver a workforce which is adequately prepared for the future.

It was noted that 75% of young people currently enrolled in primary education will work in entirely new jobs in two decades time. The creation and development of whole new sectors of the global workplace will demand greater skills acquisition capabilities from today's students. Education systems can build a solid training foundation that enables academic, professional, and technical skills to be symbiotically aligned with employer based, industry defined demands that is inclusive for all, integrating lifelong learning and sustainable employment for all, irrespective of protected characteristics. Indeed, the widespread adoption of lifelong learning is the only solution to the existing skills redundancy. Securing this requires an ongoing high-level dialogue involving industry, government, and education providers, particularly focusing on the repositioning of skills development away from associations as academic learning's poor second cousin. This is a process which has begun, but one which is important not to stall.

The existing gap between the education delivered in universities and the skills demanded by industry demands better understanding, pointing to a central need for enhanced data collection, access and sharing, across both national and international borders. Some encouraging progress has been made in this area, but ultimately this needs further development going forwards.

### **Skills collaboration works – but how?**

Bringing together business, education providers and government is often the clarion call for the promotion of entrepreneurial enterprise, but mechanisms for this should already be a feature of the skills-based training sector. Skills education achieves most when it is aligned to directly meet the needs of employers. Challenges facing industries have a significant impact on the way in which employers identify collaboration partners that can deliver their business needs. Thus, there is a need to move towards a focus on competency-based education, and the example was given of Thailand as a country changing from degree-oriented to employability-oriented education.

The strategy in Thailand has focused on three major principles:

1. Sharing winning outcomes.
2. ROI (Returns on Investment).
3. In-depth collaboration with education and employer networks.

With a greater focus on skills development, there has been a notable increase in productivity, which has been visible in factory outputs with increases of 30-40% productivity across the board. The SDGs also represent a key framework for policy in Thailand, with leadership, government and partnerships regularly referring to the SDGs. Going forwards, a greater focus on people and individuals is necessary, listening to their objectives and ambitions, and what they need from skills programmes.

The importance of collaboration has been reiterated over the past three years. There is a lot of opportunity within the ASEAN region to share knowledge and learn from one another, and the UK can assist with content development and long-term sustainability.



## It starts at the top

Any change in the skills mechanism must first come from the top. It is important to find mechanisms to develop the capability of leaders of education establishments in a way that challenges and enables them to deliver high quality skills that students and workers can utilise for life. Policy makers can support teachers to ameliorate skills delivery and become a force for long-term sustainable change, in addition to developing tomorrow's skills sector leaders to ensure sound succession planning. In a diverse world, how can ASEAN nations create modern champions for life-enabling skills learning? Improving leadership and governance of education establishments is key to driving a modern, future facing skills architecture. Across ASEAN regions, there are commonalities in the challenge of providing high quality teachers with the needed to drive innovative skills delivery.

A great deal of growth is expected to come from the tertiary sector, creating partnerships with national and transnational dimensions, meaning that 'governance' will become increasingly important. A key question is to define what is meant by governance. Often the term is used interchangeably with management processes, which then creates gaps. In the UK, governance of skills education has developed along with legislation to enhance governance of skills education.

Most people will be familiar with corporate governance. Education governance encompasses a set of policies, procedures and financing which may come from a variety of structures. Education governance is connected to corporate governance, but some expressed that they should enable decisions to be made independently of political or economic decisions.

There is clear evidence that education can have major impact in delivering Net Zero visions for the future. To do so, it appears there are three structures which need to be brought together:

1. Funding agreements or settlements
2. National frameworks
3. Local community networks

Only through dialogue between all three will outcomes be delivered on skills, as all three are needed to produce long term change in attitude and behaviours, and each nation will have a different way of delivering this. In summary, governance systems which can hold to account and empower are critical to success. Driving through the UN SDGs as developed standards and key targets can also offer an effective framework for building a rigid skills mechanism.

## Conclusions and next steps:

- Funding - TVET in the ASEAN region suffers from a lack of investment and funding, despite the data demonstrating a good return on investment in terms of salaries and economic growth relating to skills training. There is a need to better demonstrate return on investment to individuals, governments, and employers. Budgets are becoming more difficult to secure, questions remain over how to do more with less resources, ensuring sustainability.
- Adaptability - How TVET stays relevant with economic issues and tackling climate change is important. Building capacity to respond to economic shocks requires working closer with stakeholders and utilise resources; being open and allow stakeholders to be involved in business process. Agility and flexibility are needed to overhaul some traditional practices and be open to new ways of teaching and learning, reskilling trainers and building capacity.

- Lifelong Learning - There is a need to integrate lifelong learning into policy, using a collaborative approach to achieve this with industry and education/ skills providers working together.
- International collaboration – There is a need for forums to share best practice between the UK and ASEAN member countries. What methods are there to build on that and commit to furthering the dialogue around skills sharing? Open communication about successes and failures across governments and regions is essential for candid and fruitful dialogue on what works.
- ASEAN regional partnerships - Partnerships are central to effective skills development. TVET stakeholders need the ability to learn from each other. The key to this is to keep sharing strategies and knowledge as sectors develop. The ASEAN TVET Council is a good example of the way forward for fostering dialogue and communication.
- Digitalisation - Digitalisation will frame the next generation of TVET learning. Digitalisation and blended learning environments can make learning accessible to everyone, but the digital divide is important to consider so that inequality and access is paramount in planning skills development.
- TVET and skills development systems are different to higher education though can form a part of higher education, they do not exist in vacuum, and must be dynamic. TVET and higher education systems would benefit not from competing, but from being integrated as a system to meet the needs of industry and country skills needs.
- Regional policies - Centralised strategies for boosting skills are vital, but governments alone cannot deliver effective programmes, there is a need to work with key players in the system and ensure contribution at all levels, including from provincial to national.
- Perceptions and promotion of TVET – It is important to consider how different educational options are being promoted to children and the value forms associated with them. If children are only being encouraged to go into higher education, what does that say about the value of TVET? Recognising the value of alumni and using those people as champions for your institutions, government policy etc. (if you can see it, you can be it).
- Practical focus - Focus on practical skills training, moving away from theoretical knowledge. Endorse importance of frameworks and standards to measure performance and progress. By acting as a super connector between institutions and employers and industry, supporting with curriculum innovation, and developing tutor-building capacity and sustainability, educational bodies can integrate skills pathways with the workforce.
- Speed of change – ASEAN workforce needs and skills developments are progressing at a fast pace. There are opportunities to share challenge between ASEAN and UK and other TVET systems.

Evidence-led strategies for skills development are crucial for the changing world of work and jobs in the future. Linking skills investment into economic development may enhance the centrality of resourcing TVET education in the future and encourage governments to invest in funding skills training.

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