



Skills development

Business and development exchange summary

In recent decades, technology, globalisation and rapid economic change have had a major impact on labour markets and employment patterns. Competitive global markets create new opportunities but also require a new set of skills that reflect these changes and meet specific, new demands.

Decades of neglect and under-investment in education have had a devastating effect on Burma's human resources and skills development, leading to a workforce suffering from a critical lack of technical and analytical skills. In 2010, only 5% of workers in Burma had tertiary and higher education qualifications and only 15% had finished secondary education. Though investor interest in Burma is increasing as a result of the recent and dramatic process of political reform, skills shortage remains one of the many key constraints to a similar economic transformation.

Vietnam has a history of strong investment in education but is finding it increasingly difficult to balance the supply of skilled labour with market demand as it tries to improve labour productivity, add greater value in agricultural and industrial production, and improve the quality of growth. Future growth could be threatened by a shortage in skilled labour: employers also complain that workers are not prepared for work and lack the vocational and technical skills needed.

This is an issue frequently voiced by international and domestic companies and the development of appropriate workforce skills has been identified as an important economic and social issue for both countries. Skills development and training is a sector where the potential role of the private sector – in terms of curriculum development, job placements, apprenticeships, funding and even provision of services – is clear.

Our research in Burma and Vietnam will examine the role of the private sector in general and business associations in particular as a source of skills development and training. We will identify how AusAID can engage with businesses to help increase the quality and quantity of skills-development provision.

In Vietnam, the research will focus on the central Mekong Delta and examine the current demand for skills in the main economic sectors, the supply of skilled labour and the key gaps that business engagement could seek to fill. The central Mekong Delta is a centre for agriculture and fisheries, and much local employment focuses on related processing, input supply and service industries. In Burma, we will provide an assessment of three existing business associations operating in Rangoon and Mandalay and look closely at their operations and training models in order to evaluate their capacity and identify potential ways to improve the quality and relevance of training. In both cases we will generate conclusions and recommendations on the role of the private sector in the provision of quality skills training, and on the potential for donor engagement with the private sector in order to promote this.ⁱ

ⁱ Cover image: Phu Tho Vocational Training and Employment Center. ILO/Truong Van Vi, Flickr, 2011.