ECONOMIC CHALLENGES AND OPPORTUNITIES

Education in a changing world

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DAY 2 – ADDRESS TO PANEL 1
REGIONAL HIGH-LEVEL EXPERT MEETING – 9-11 MAY 2012
Outline

- Asia-Pacific: the emerging engine of global growth
  - The trends are positive ...
  - ... but there are disparities
  - An increasingly interdependent region
  - The changing world of work
  - Other key trends

- Some implications for education
The emerging engine of global growth

THE RISE OF THE ASIA-PACIFIC REGION
The steady rise of the region


Source: UNESCO adaptation using data from the World Bank (2011)
Growth in the face of turbulence

Annual GDP Growth Rate 2000 – 2009 (Constant 2000 prices, %)

Source: World Bank (2011)
Historic and projected GDP growth (constant prices) in selected Asia-Pacific countries – 2007-2017

Source: UNESCO adaptation of data from International Monetary Fund (2011) World Economic Outlook
Human development is on the increase

Human Development Index (value) by sub-region – 1980-2011

But these macro trends are not felt evenly across countries ...

GDP per capita (Current prices, USD) – 2009

Source: World Bank (2011)
... nor within them

Gini Coefficient – 2009

Source: CIA World Fact Book (2009)
Growth and industrial change …

Value-added by sector (% of total value added) – 1990 and 2009

Source: United Nations (2011), Statistical Yearbook for Asia and the Pacific
... and rapidly increasing investment

Foreign direct investment inflows by sub-region – 2003-2009

Foreign direct investment outflows by sub-region – 2003-2009

Source: Extracted by ESCAP from UNCTADstat (2010a) data.

Source: ESCAP, based on data from the UNCTADstat (2010a).

Breeding productivity gains

Relationship between GDP and participation in higher education

Note: In principle, 2008 data, if no data for 2008, then 2006 or 2007.

Individual rates of return

Internal rate of return for higher education of OECD countries (%)

An increasingly interdependent region and the changing world of work
BUILDING A LABOUR MARKET FOR THE FUTURE
### Changing industrial structures means changing skills needs

#### Share of employment by sector (% change over decade) – 1999-2009

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<thead>
<tr>
<th></th>
<th>Agriculture</th>
<th>Industry</th>
<th>Services</th>
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<tr>
<td></td>
<td>Level</td>
<td>Change</td>
<td>Level</td>
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<tr>
<td><strong>WORLD</strong></td>
<td>35.0</td>
<td>-5.2</td>
<td>21.8</td>
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<td>Developed Economies &amp; EU</td>
<td>3.7</td>
<td>-1.9</td>
<td>23.4</td>
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<td>Central and South-Eastern Europe (non-EU) and CIS</td>
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<td>-6.9</td>
<td>24.6</td>
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<tr>
<td>East Asia</td>
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<td>-11.0</td>
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<tr>
<td>Southeast Asia &amp; the Pacific</td>
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<td>-5.1</td>
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<td>South Asia</td>
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<td>Latin America &amp; Caribbean</td>
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<td>-5.2</td>
<td>22.2</td>
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<td>Middle East</td>
<td>19.1</td>
<td>-3.0</td>
<td>26.1</td>
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<td>North Africa</td>
<td>27.8</td>
<td>-1.5</td>
<td>22.5</td>
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<tr>
<td>Sub-Saharan Africa</td>
<td>59.0</td>
<td>-3.4</td>
<td>10.6</td>
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Trade as the leading indicator

Many countries in the region are increasing their share of global imports and exports

% change in country’s share of world exports and imports – 2008-2009

Source: Calculated by ESCAP based on data from World Bank Data Bank, 2010
A truly interconnected region

Source: UNESCAP.
A wider vision for market integration

Initiative for ASEAN Integration (IAI)

- Labour mobility (including skills recognition)
- Social protection
- Higher education
- ICT (including in education)

Relevant integration efforts

Implications

- Enhanced competitiveness for skills
- Increased focus on relevance and quality of education
- Risk of ‘brain drain’

Other institutions promoting integration

**Asia-Pacific Economic Cooperation (APEC)**
- Works in three broad areas to meet the Bogor Goals of **free and open trade and investment in the Asia-Pacific** by 2010 for developed economies and 2020 for developing economies.
- Known as APEC's 'Three Pillars', APEC focuses on three key areas:
  - **Trade and Investment Liberalisation**
  - **Business Facilitation**
  - **Economic and Technical Cooperation**

**Pacific Islands Forum (PIF) Secretariat**
- PIF is the paramount regional inter-governmental forum in the South Pacific. PIF addresses issues such as **regional trade, economic development**, the environment and regional law enforcement, cooperation and security in the South Pacific.

**Pacific Economic Cooperation Council (PECC)**
- is a unique tripartite partnership of senior individuals from business and industry, government, academic and other intellectual circles.
- All participate in their private capacity and discuss freely current, practical policy issues of the Asia-Pacific region.
- PECC aims to serve as a regional forum for cooperation and policy coordination to **promote economic development in the Asia-Pacific region**.
Workers’ remittances represent over a third of GDP in Tajikistan (35%), almost a quarter in Samoa (23%), and over a fifth in Kyrgyzstan and Nepal (both 22%).

Remittances are also on the rise in the region, totaling over US$110 billion in 2009.

Indeed, the value of remittances in some countries exceeds total export earnings – particularly in Central Asia and the Pacific, where they can be greater by a factor of 2 to 3 times.

Other key trends
AN INTERSECTION OF FACTORS
Population dynamics

Population Projections (absolute numbers), 1950-2100

Source: UN-DESA Population Division (2011)
Environmental change

Vulnerability to environmental disasters

Tropical cyclones (sum of winds in km/year)
- Dark green: 100,000–426,510
- Medium green: 30,000–100,000
- Light green: 10,000–30,000
- Pale green: 3,000–10,000
- Pale yellow: <3,000

Floods (average annual frequency)
- Dark blue: >60
- Medium blue: 20–60
- Light blue: <20

Weather-related hazards
Droughts index (frequency and intensity)
- Very high
- High
- Moderate high
- Moderate low
- Low

Lakes and oceans
Regional extent
Other regions
The unequal distribution of peace

Results of the Global Peace Index (2010)

State of peace
- Very high
- High
- Medium
- Low
- Very low
- Not included

Source: Economist Intelligence Unit.
Connecting the world through ICT

Growth of internet users and mobile subscribers in the region – % per annum, 2006-2008

Number of websites worldwide (in millions) – 1995-2010

Source: (LHS) United Nations (2010); (RHS) OECD (2010) *Trends Shaping Education*
Skills for the post-modern era

A new set of skills is needed to be competent in the connected and changing world:
- Critical thinking
- Problem solving
- Collaboration
- Communication
- Technology literacy

Static source of knowledge

Dynamic source of knowledge

Book & Teacher

Collaboration
Some implications for education
A changed education environment

- Changing skills needs
- The importance of lifelong learning
- A focus on non-cognitive dimensions
- Quality education for all as the next frontier
Thank you