

Developing the Human Resource Potential of South Asia



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Abstract

South Asia is a region rich in human resources. While most of the developed world, including China and Japan, anticipates an aging population scenario, almost half of the population in South Asia is below the age of 25. This will create a steadily growing, economically active group of 15- to 64-year-olds beyond the middle of this century. This abundant youthful potential, if trained with a vision of short-, medium-, and long-term work requirements, holds promise for the region's accelerated development and offers a continuing supply of manpower to aging economic powerhouses.

The region is already a major supplier of workforce – both semi- and highly skilled – for the Middle East, Europe, and North America. The emerging workplace, however, is competitive in nature. Over the next 20 to 30 years, global trends are likely to change due to aging population in Europe and East Asia, depleting resources of the Middle East and shifting production and investment. If the South Asian region does not diversify the training of its workforce and achieve comparative advantages in specific fields, it will be a challenge to keep itself relevant. If not addressed now, there will be a likelihood of greater unemployment among the economically active sections of the population.

In large part, this is because South Asia economies are hugely dependent on remittances by expatriates. This situation has serious ramifications for peace and stability in the region and the world at large.

The success of socio-economic development in the region depends particularly on cooperation between India and Pakistan. While both need to resolve outstanding issues, their cooperation in the human resource development sector could prove a good starting point to build much needed infrastructure for regional integration.

This paper will explore options for developing a cooperative model to train manpower in South Asia, with possible implementation first in Pakistan and India. If successful, the model could then be extended to the entire region. Training the workforce in a collaborative manner would have the added benefit of reducing the overall trust deficit and bring much needed understanding and collaboration in the region.

Introduction

South Asia is rich in human resources. Of its 1.6 billion population, almost half are below the age of 25, as seen in Figure 1.

Figure 1

Country	Population below 25 years
Afghanistan	62.2 %
Bangladesh	51.1%
Bhutan	47.4%
India	46.6%
Maldives	44.4%
Nepal	52.2%
Pakistan	54.8%
Sri Lanka	39.6%

Source: CIA Fact book ⁽¹⁾

South Asian nations are low- and middle-income economies. Conflicts emerging after the subcontinent's partition and resulting mistrust have proved stumbling blocks in the region's development. The South Asian Association for Regional Cooperation (SAARC) was established in 1985 with an agenda to promote a cooperative approach for the solution of the region's problems. SAARC has become a well-established regional bureaucracy with regular meetings comprised of top leaders and those at working levels. Tangible results, however, have been very limited. The region struggles with many challenges, from infrastructure development to law and order. It faces widespread poverty, illiteracy, unemployment, and a lack of proper health and education infrastructure. SAARC has not been able to implement its vision for improvement thus far.

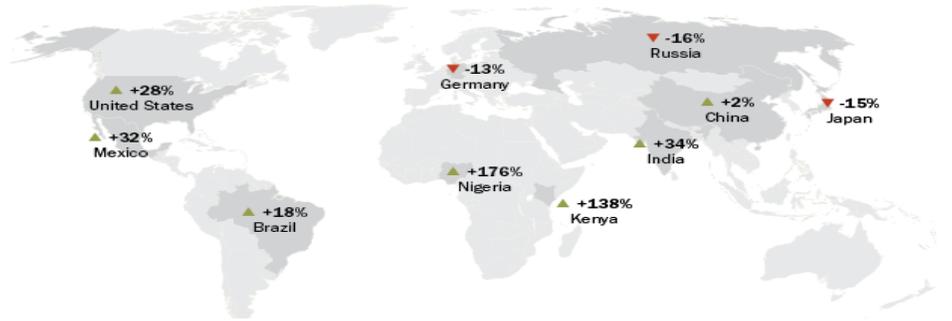
In recent history, the Northeast Asia nations of Japan, China, and South Korea surprised the world with spectacular growth, resulting mainly from human resource development. The same measures are being taken in the neighboring ASEAN region. This growth has provided a two-way lift to East Asian economies. It has opened gates for their skilled workforce within labor markets around the world and has attracted huge investments due to availability of cheap labor. The eastern part of Asia is now graduating to advanced levels in economic development as well as in knowledge, innovation, and skills.

The global demographic trends are now at a point where a great shift is expected in some key regions. According to a survey conducted by the Pew Research Center, by 2050, the majority of people in Japan, South Korea, and Germany are expected to be over age 50. The global population is expected to increase to 9.6 billion by 2050, of which 1.55 billion will be living in South Asia. India will replace China as the most populous nation. Figure 2 shows population projects for various regions.

<https://www.cia.gov/library/publications/the-world-factbook/>

Figure 2

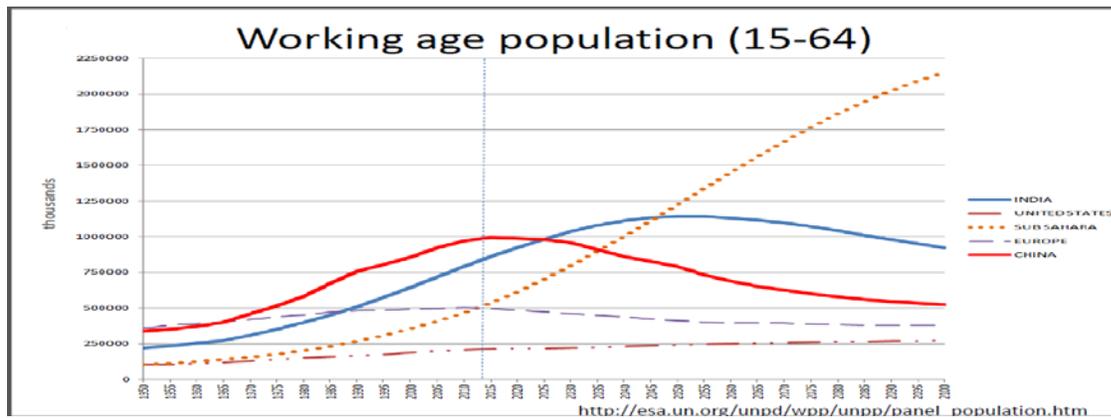
Estimated change in population for selected countries, 2010 to 2050



Source: Pew Research Center⁽²⁾

By 2025, the working age population in China, Japan, and Northeast Asia is projected to decline, while South Asia will see a steady increase in its working age population through 2050. Trends in Figure 3 can be applied to the overall situation in South Asia.

Figure 3



Source: United Nations, Department of Economic and Social Affairs, Population Division, Population estimates and Projection Section (3)

In addition to the demographic shift, another very important change is also taking place in Asia in terms of investment patterns. As East Asian societies graduate from middle- to high-income, labor is becoming increasingly expensive in these countries. Multinational companies are now shifting their production houses to regions with an abundant supply of cheap labor and that offer new markets for their products. South Asia, with its youthful human resource pool, is a big attraction. The problem lies with the regions labor quality and security situation.

Source: United Nations, Department of Economic and Social Affairs, *World Population Prospects: 2012 Revision*, June 2013, <http://esa.un.org/unpd/wpp/index.htm>

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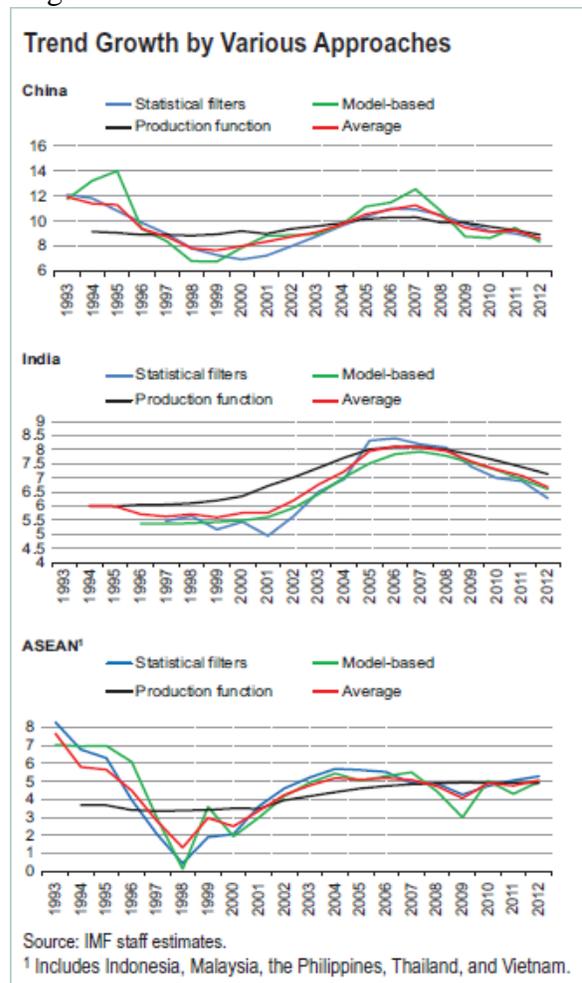
By contrast, the West is faced with stalled economic growth coupled with an aging population. It is becoming increasingly inward looking due, in part, to shrinking economies and security hazards emerging after 9/11. Nonetheless, Western countries host a sizeable number of South Asian people who made their way into these societies by starting in most cases at very basic level jobs.

These economies are at a more advanced stage. Yet, they can no longer absorb untrained or semi-skilled migrants. For the new aspirants from the region, it is becoming increasingly difficult to migrate to these areas. A decline in the South Asian work force in the developed world has serious implications for the region, as expatriates are a major source of remittances. Europe and North America have traditionally been more accommodating for migrant workers. The question is that if they allow an intake of migrants due to aging population, what is the likelihood of South Asia to fill this niche, since a far more sophisticated work force is available from the South and North East Asia regions?

The biggest market to absorb South Asian workforce has been, in recent years, the Middle East. During the construction and infrastructure development period, the region has hosted one of the largest unskilled and semi-skilled worker communities from South Asia. The region however faces a great number of challenges due to conflicts and political strife in the region. The wars in Iraq, Libya, and Syria have caused major displacement. These migrants are available to do basic jobs at wages lower than those paid to South Asian workers. Besides, the region also faces depletion of petroleum reserves. Due to these factors, the intake of South Asian workers is on a gradual decline.

Growth patterns are shifting towards North and Southeast Asia. As their more sophisticated workforce moves towards middle- and high-income jobs, space is becoming available for workers from poorer countries. The regions are already drawing a considerable number of workers from South Asia through both legal and illegal means. The question remains whether South Asia wants to rely on the export of its workforce or wants to take measures to improve the workforce quality, which may attract investment and enhanced growth within the region.

Figure .4



Source: World Economic and Financial Survey (4)

Dynamics in South Asia

South Asia is a very complex region. It faces a myriad of socio-economic problems, which cannot be resolved without a cooperative approach. There are insurgencies, contested identities, and border conflicts and rivalries. There is great cultural, ethnic and religious diversity in the region. But there are many overlapping features in this diversity which serve as unifying factors in this landmass with great human density.

In South Asia, Pakistan and India are the key drivers of regional dynamics. Going forward on any cooperative effort to resolve South Asia's problems requires the two to understand each other's relative importance. If their societies drive their governments, there is a growing desire within energetic and dynamic youth on both sides to move forward. If the two countries build on their populations' desire to end mutual hostility and take on initiatives for collaborative engagements, it would prove to be a great starting point for the region's development and economic integration.

Currently, Pakistan and India operate in a very sensitive geopolitical environment. The two sides have been upping the ante against each other over the many decades. By doing so, they have conceded considerable space to anti-peace lobbies on both sides. The retaking of that space is possible only through enhanced connectivity and people-to-people contact. There are many confidence building measures (CBMs) on the table already. These include softening visa restrictions, enhancing movement of businesses and pilgrims across borders, and greater cross-border trade facilitation. Collaboration in education and training remains the most neglected area. This paper's proposed model works on the premise that due to a difficult environment, the countries need to consider low key initiatives that do not challenge the status quo overnight. Such initiatives are win-win for both sides and have the potential for further cultivation.

Pakistan and India have competing economies. The size of Indian economy threatens its smaller neighbors to lose whatever they have in terms of comparative advantage. The competitive nature of the South Asian economies does not allow smaller South Asian nations to open themselves up for regional free trade; the reason being they fear that Indian goods would flood their markets and they would lose whatever comparative advantage they have vis-à-vis India. India is seeking massive international investment and technical collaborations around the world for the development of its physical and educational infrastructure. Keeping in mind that India aims to revive its growth rate to 10 to 12 percent¹, collaboration with archrival Pakistan in workforce development may prove to be win-win as the initiative would boost much needed investor confidence in the region's stability.

A Cooperative Human Resource Development Model in South Asia

There are the three educational models posed by this paper in creating a cooperative model for human resource development within South Asia.

¹ 12% Growth Agenda: A Blueprint for India's New Government
<http://greaterpacificcapital.com/12-growth-agenda-a-blueprint-for-indias-new-government/>
The Economist (Reviving India's economy: Modi's mission)
<http://www.economist.com/news/briefing/21602709-new-prime-minister-has-good-chance-resuscitating-countrys-underperforming>

A. Chinese model for vocational and technical training

China owes its economic growth to economic reforms under the era of its former chairman, Deng Xiaoping, as well its decision to equip its population with basic education and technical skills. China adopted a legal framework, the Vocational Education Law, in September 1996, to streamline scientific and vocational education priorities aimed at enhancing workforce quality.² The law stipulates that the government incorporate development of vocational education into socio-economic development plans. Trade organizations, entrepreneurs, and institutions also contribute to enhancing technical education. The following represent some of the features of the Chinese technical training and education model:

- Departments of education and labor manage vocational education and training;
- Enterprises also provide vocational training to their employees;
- Training is provided at three levels: junior secondary, senior secondary, and tertiary;
- Junior vocational education, after primary school education, is focused on less developed and rural areas;
- The secondary level further trains the manpower trained after the primary level;
- Vocational high school trains the secondary-level practice-oriented workforce with comprehensive professional abilities for production, service, technology, and management;
- Tertiary vocational education enrolls graduates from regular high schools and secondary vocational schools. It focuses on the practice-oriented and craft-oriented component;
- China overhauled its vocational education sector by focusing on advancement of teachers training. It incorporated best practices in the teacher training field in countries, such as Germany, Australia and Canada, and followed the standards of the World Labor Organization, UNESCO, etc.;
- China regularly sends its delegations abroad to witness successful vocational education models. It also receives many foreign vocational education delegations and invites foreign experts to train teachers in China;
- At present, hundreds of vocational schools related to the industries like mechanics, chemistry industry, electric power, architecture, agriculture, railroad transportation, oil industry, public health, business and light industry, are carrying out the pilot reform of vocational education based on foreign teaching patterns to improve the teaching level of vocation education in China.

B. Higher Education Integration in Southeast Asia

Following the pattern of the Bologna Process to create a European Higher Education Area (EHEA), ASEAN education ministers, under the socio-cultural community, agreed in 2005 to incorporate higher education into the regional integration agenda. Without impacting or

² The embassy of China in Ireland (Vocational Education) <http://ie.china-embassy.org/eng/whjy/educationdevelopment/t112965.htm>
Time (China: Just as Desperate for Education Reform as the U.S.) <http://business.time.com/2013/06/27/china-just-as-desperate-for-education-reform-as-the-u-s/>

jeopardizing individual education systems, the initiative aims to enhance competitiveness and quality in higher education institutions of member countries. Its goal is to establish an “‘area of

knowledge’ and ‘common educational space’³ in which activities and interactions in higher education, mobility, and employment opportunities can be easily facilitated and increased.” The initiative would enable the region to contribute to international quality assurance, provide education systems competition and cooperation, and help build solidarity among nations with similar cultural and historical roots. Main characteristics of the ASEAN higher education collaboration are as follows:

- Creating a knowledge-based society;
- Achieving universal access to primary education;
- Building an ASEAN identity through education collaboration based on friendship and cooperation, and enhance workforce mobility and employability;
- Strengthening performance of Southeast Asian universities on teaching, learning, research, enterprise, and innovation indicators;
- Quality assurance agencies established to develop and recognize strengths and commonalities in academic practices without losing individual country identity.

The intended harmonization scenarios of higher education landscape in Southeast Asia envisions students spend at least a year studying in other countries with the same quality of education afforded them in different locations. Due to equal education standards, graduates from one country could be recruited by the employment sector in other countries, thus creating a multi-national workplace. Higher education quality will be enhanced and assured by:

- Collaboration between faculty, students and employment sectors in creating and developing new knowledge;
- Collaboration between international relations offices for enhanced mobility;
- Developing a unified curriculum;
- Scholarship for students/faculty exchanges;
- Regional skills competition/accreditations;
- Increased use of English language;
- Raising student readiness by addressing language and communication barriers, adjustment problems, different instructional practices, curriculum incomparability, and cultural diversity;
- The ASEAN Qualifications Reference Framework (QRF) ensuring comparisons of qualifications across participating ASEAN countries.

The above agenda seems ambitious, however, the ASEAN vision enjoys ownership and trust of all member nations who wish to emerge as a common community. Above all, this region does not face territorial disputes or an identity crisis that could hamper enhanced people-to-people contacts

³ Inside Higher Ed (Towards harmonization of higher education in Southeast Asia)
<https://www.insidehighered.com/blogs/globalhighered/towards-harmonization-higher-education-southeast-asia>

C. The U.S. Community College Model

Within the United States, the community college is a post-secondary, two-year college that equips the workforce with skills for ready acceptance in the job market. It is an economical measure to impart specialized skills to people who choose not to join a four-year college due to economic constraints or lack of interest. It represents a century-old institution that works in collaboration with local industry as it caters mainly to the workforce requirements of local industry. Community colleges initially focused on imparting middle class values. They shifted to developing a workforce due to the widespread unemployment during the Great Depression. Currently, there are about 1,200 community colleges in the United States. Many countries have adopted the model according to their requirements.

The community college model's strength is its focus on the employability of the individual. By creating a middle workforce, it balances the burden on higher education. It develops practical skills and prepares the students for a regular college degree. The bedrock of the community college model is linkages with area industries. The community college works with participation of and collaboration with the industrial, rural, agricultural, commercial, and service organizations of a particular area whose members assist the community college in the following ways:

- Designing the curriculum for various job-oriented courses;
- Serving as members of the advisory board;
- Serving as part-time instructors for teaching and assessment in the college;
- Providing on-the-job training for students in the workplace;
- Providing job placement for students trained at a college.

The community college model is not an alien idea in South Asian context, as India⁴ is already exploring options for adopting its own technical training colleges in collaboration with industry. This is one of the main components of the U.S.-India Strategic Dialogue track on education. India may like to extend its experience to its neighbors as a tool to enhance collaboration in manpower training.

The South Asian Model

This model includes following features from the above three models:

- A “literacy” emergency for the next 5-10 years should be imposed by both Pakistan and India to educate the huge illiterate portions of their population
- Vocational training to be provided at three levels: primary, junior secondary, and senior secondary;

⁴The US Community College Model: Potentials for Application in India

<http://www.google.com/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=6&ved=0CEEQFjAF&url=http%3A%2F%2Fwww.iie.org%2F~%2Fmedia%2Ffiles%2FCorporate%2FPublications%2FUS-Community-College-Model-Potential-Applications-In-India.ashx&ei=5g1DVNyfB6eWigKzo4GoBA&usq=AFQjCNEUIr1P1YGPE3JlrC99FM9t4L1YPw&sig2=Peqg61KcQmbHHomteSjrpg>

- Junior vocational education centers should be established in less developed and rural areas;
- The secondary level should train manpower in next-level skills;
- Vocational training after high school (10th and 12 grades) should follow community college practices;
- Local industry in each area should be involved in developing curriculum. Instructors should be taken from the field to train the workforce according to industry requirements;
- To improve and raise workforce quality, a bilateral body should be established. It would perform the following functions:
 - Plan and arrange regular interaction between technical training experts on both sides;
 - Develop a common technical training curriculum;
 - Establish similar certification standards for students;
 - Arrange regular teacher exchanges and workshops;
 - Develop a pilot program to send student groups to each other's training institutions for durations of 4 to 12 weeks;
 - Involve successful businesses in vocational and technical training to establish branches in each other's counties; Establish a joint fund to provide scholarships to students who qualify through a common qualification test;
 - Ensure transparency.
- Legal framework established to define each other's comparative advantage and areas of cooperation;
- Creating an enabling environment to absorb surplus workforce within the region.

Framing the Issue

Harmonizing workforce development in South Asia is not without serious challenges. The main question is how Pakistan and India will be able to sustain cooperation. The SAARC platform could have been a tool to implement the initiative region-wide. Pakistan and India, however, have not been able to utilize the SAARC to mitigate their differences. They prefer bilateral engagement, however, they have not been able to sustain engagements. The composite dialogue was a comprehensive framework covering resolution of outstanding disputes as well as promotion of confidence building measures. The process could not sustain itself in the face of difficult situations. The challenge, therefore, lies in sustaining engagement when employing a development model. When the issue is assessed, it presents itself primarily in two frames:

Domestic	Bilateral
Overpopulation	Low trust levels
Poverty	Inward looking approach
Illiteracy	Lack of political will to resolve outstanding issues
Unemployment	Overwhelming internal problems
Underdeveloped educational infrastructure	No sharing of information and know-how

Lack of competitiveness	Limited Comparative Advantage
Low priority on human and material resource development	Protectionist economic policies
Weak governance systems	Poor regional connectivity and movement
Law & order issues	Lack of collaboration in tackling security issues
Insurgencies & terrorism	Low priority on building support for collaboration
Hostile public opinion	No serious effort to build public opinion in favor of engagement

Recommendations

While agreeing on cooperation in human resource development, the two countries could consider building upon the following enablers:

a) Cultural proximity

Pakistan and India have many cultural overlaps. Their peoples enjoy common characteristics in language, dress, food, landscape, etc. Cultural proximity would help break negative stereotypes about each other.

b) Similar economic levels

The two nations have little difference in economic levels of their people. The difference is that of only size of economies. Indian economy is big in size because of population (1.2 billion). Though Pakistan is a smaller country of 200 million people; there are no big gaps in income levels of the people of the two countries.

c) Comparable population awareness levels

South Asian nations are all functioning democracies. Vibrant media has raised the awareness level of the people. There have been almost similar sociopolitical developments in the region. Enhanced people-to-people contacts will not cause any shocks to regional stability.

d) No big gaps in education

The education scene, from basic to higher levels, does not display huge gaps in terms of quality and infrastructure. Both have huge populations to equip with basic education and skills. There are almost similar requirements for vocational training.

e) English language

English is the official language and second medium of instruction in the schools and colleges in the sub-continent. It will help in adopting equal standards in training and certification.

Measures:

The framing of the issue above presents critical factors both in domestic and bilateral contexts that need to be addressed. The following steps are recommended for Pakistan and India to create enabling environments for model success.

Internal

The two countries must take the following measures internally, with a timeline of five years and with a pledge to consistent implementation:

Impose literacy emergency

The first requirement to raise workforce quality is to equip people with basic education. Pakistan and India both have huge numbers of people to educate (literacy rate: Pakistan 54.9%, India 62.8%⁵). Employ both formal and informal sources – double shifts in schools, and using volunteers and distance learning – should be adopted to educate people.

Incorporate vocational training in regular education system

The two countries should make vocational training part of the education system. A three-tier vocational training program after primary, junior secondary, and high secondary schools should be introduced. Training after junior and higher secondary schools should impart advanced level training and also prepare students for regular college education. Local industry should be involved in the process.

Create networks of primary vocational training units in rural and under-developed areas

The majority of unskilled population is concentrated in rural areas, which host more than 60 percent of the population. Proper training and absorption of manpower will raise living standards in those areas and reduce the urbanization burden.

Collaborate with international players

The two countries should collaborate with international bodies, such as the United Nations, USAID, AUSAID, etc., for raising instruction quality and adopting successful models in teacher training.

Generate sufficient energy

⁵ CIA Fact book: Guide to Country Profile
<https://www.cia.gov/library/publications/the-world-factbook/geos/pk.html>

South Asia is not energy self-sufficient. There are many areas which still do not have access to electricity. To kick start small and medium enterprises in the less developed areas, uninterrupted energy supplies need to be ensured. This is a pre-requisite for creating jobs for the trained workforce.

Establish a media campaign

The two countries need to promote a narrative through media that first neutralizes mutual antagonism. The next phase may involve movement towards positivity.

Tackle law and order to address each other's concerns

Instability, and the law and order situation on both sides of the border is a matter of concern. Both should seriously address each other's concerns on security issues to build trust and confidence.

Bilateral

In the bilateral context, these steps by the two countries will ensure improved confidence and trust level and success of collaboration for human resource development:

- Confidence building;
- Resource sharing;
- Easing visa norms;
- Security cooperation;
- Communication connectivity;
- Identifying comparative advantages in human resource development and economy, and the areas where adjustments can be made for each other;
- Letting industry drive the initiative of collaborative workforce development;
- Establish common curriculum vocational training without threatening the domestic education systems.

Conclusion

Enhanced cooperation in South Asia is a matter of great interest for the world as the region has potential to become huge market with its rising middle class. It can divert production and investment if it is able to tackle workforce quality and security related issues. Extensive work has been done on connectivity within the SAARC region. The United States supports the “Silk Road” vision for South Asia with the aim to revive traditional trade routes in the region. This paper does not propose grand initiatives; instead it focuses on practical and implementable programs based on models in China, Southeast Asia, and the United States.

In doing so, this paper provides the reader with a series of concrete and actionable steps for ensuring linkages between India and Pakistan on training programs. This offers a road map, not only for improving the connectivity between these two economic powerhouses, but also for the greater South Asian region. This paper invites attention to a neglected area that has great

potential for building a positive trajectory for the development and cooperation in South Asia and beyond.

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