Skills development to shape future workforce

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LARGE organisations in the world today are working to bridge the gaps in their capabilities. These organisations acknowledge that there is a shortage of skilled talent to clean, integrate, and extract value from advanced technologies and move forward. While the gap between the information need and information available to make business decisions remains very high, unavailability of the right talent and skills is making it difficult to bridge this gap.

According to PwC's 22nd Global CEO Survey, the skills gap, in particular, is a pain point for the CEOs of many organisations. The skills gap impedes innovation and increases the people cost. CEOs also affirmed that the unavailability of key skills affects their growth prospects. Moreover, the highest impact noted by 55 percent of respondents is the 'inability to innovate effectively', followed closely by 'higher than expected people costs'.

The National Skills Development Authority of Bangladesh has been working as the apex body to formulate policy at the national level and to execute programmes to achieve its vision. Its policy outlines the objective, scope of work, and evaluation and monitoring methods. Successful implementation of a skills development policy would help the workforce of Bangladesh to get ready for jobs of the future.

At the same time, the world and society around us are changing rapidly due to urbanisation, climate change and global shift of economic power. Demographic changes are also creating new imbalances in workforce availability vis-à-vis requirements. Moreover, technological advancements are disrupting all forms of traditional employment opportunities and creating new employment opportunities.

Bangladesh has been growing fast over the last couple of years, and it is expected to continue this economic growth journey in the coming decades. One of the prime factors to make this growth sustainable will be the availability of a workforce with the right skills. Since technology is likely to play an important role in creating new jobs in the future, it is imperative to focus on technology-led skills development of the workforce.

For example, mobile app based ride-hailing services are quite new to Dhaka. The service relies on technology to connect a rider with the available drivers efficiently, thereby creating a mutually beneficial service. Since its introduction, it has been disrupting the traditional modes of public transportation within the city. At the same time, this service is also disrupting the job market by creating a demand for more drivers.

Such drivers need to be comfortable with using mobile apps and delivering their services on the new platform. Such a ride-hailing platform motivated several traditional car drivers working for individuals to leave their jobs and work with these platforms. As a result, individual car owners have been finding it difficult to employ drivers. The compensation for this pool of drivers, albeit small, has also increased to balance the demand-supply gap.

A comprehensive skills development framework should be able to address such situations with technological foresight and agility. In the example provided above, an effective skills development plan should be able to upskill more three-wheeler drivers to four-wheeler drivers while training them to use a smartphone. Such a focused programme would be able to meet the demand with requisite supply, and would be able to improve the average income of drivers. Such a programme should also be agile enough to respond to the market needs, since technological disruptions take just a few months to impact society and jobs.

According to a report published by the World Economic Forum (WEF) in 2018 on the future of jobs, technology is going to displace a wide range of traditionally stable jobs since a good part of those roles would be taken over by the machines. At the same time, the report estimates that more jobs will be created due to the deployment and adoption of new technologies. The report projects that the deployment of advanced technologies in the workplaces will eventually become a net job-creating force. However, these jobs will be based on new roles and human workers will require new sets of skills to become eligible for these jobs.

Business organisations will be competing with each other to employ such human workers given their limited availability. On the one hand, these organisations will try to recruit experienced professionals from peer organisations and the competition. On the other hand, they will be focusing more on retaining the existing talented professionals by offering them better compensation and benefits. Organisations are likely to emphasise more on training and development of the existing staff with new skills. By most measures, successful training and development of existing employees provide better outcomes with respect to employee satisfaction, employee retention and labour cost.

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While business organisations will continue to execute their strategy keeping their microeconomic objectives in mind, the market for learning and skills development is also going to expand. Organisations operating in this category, such as privately owned training providers, will see a rise in the demand for their services. These organisations should beef up their capacity to deliver services in this expanded market.

The role of policymakers and public institutions will be most important in such a scenario. Policymakers need to focus on monitoring and measuring progress more frequently to ensure that citizens receive maximum benefits through the rising employment rate. The monitoring and measurement of progress should be aligned with the job aspirations of the people of Bangladesh.

About half the population of Bangladesh is below 26 years of age. Such a young group of people will be able to acquire technology skills faster provided they get opportunities for skills development. The right focus and execution at the macroeconomic level will ensure that citizens get the benefits of skills development. At the same time, talent management initiatives by private businesses will make their workforce globally competitive and relevant for future jobs.

The writer is a partner at PwC. The views expressed here are personal.

Google rejects Australian regulator's call for scrutiny, denies market power

REUTERS, *Sydney*

Alphabet Inc's Google has rejected calls by Australia's competition regulator for tougher scrutiny of its operations, denying that it enjoys market power in online searches and advertising, documents published on Monday showed.

The global giant was responding to recommendations made late last year by the watchdog, such as increased scrutiny and a new regulatory body to monitor the dominance of tech giants in online advertising and news markets.

"The preliminary report bases many of its recommendations on the mistaken premise that Google has market power in search, search advertising, and news media referrals," Google wrote in a Feb. 18 statement published by the regulator.

"Google faces fierce competition from other providers, including vertical search sites like Amazon, Expedia, Domain and Carsales.com, many of which users access directly through mobile apps."

The regulator had said the enormous market power of firms such as Google, which has a 94 percent share of web searches in Australia, and their opaque methods for ranking advertisements, gave them the ability and incentive to favor their businesses over advertisers.

In preliminary recommendations that are subject to change, the Australian Competition and Consumer Commission (ACCC) also said the new regulator should have powers to investigate how the companies rank advertisements and news articles.

It said the regulator had provided no evidence that regulatory review of Google's algorithms and potential recommendations for more disclosure about its news ranking would lead to higher quality search results.

"We support transparency for our customers and partners in a fragmented space, but we disagree with the appropriateness of price monitoring as a solution," Google said in the statement.

Australia, which has passed laws forcing tech companies to help police access user data amid growing concerns about the distribution of so-called "fake news", ordered the inquiry into their influence as part of wider media reforms in 2017.

US, China appear close to deal to roll back tariffs

REUTERS, *Washington*

THE United States and China appear close to a deal that would roll back US tariffs on at least $200 billion worth of Chinese goods, as Beijing makes pledges on structural economic changes and eliminates retaliatory tariffs on US goods, a source briefed on negotiations said on Sunday.

Many details still needed to be worked out, including the terms of an enforcement mechanism to ensure that Beijing follows through on pledges to make changes to policies to better protect US intellectual property, end forced technology transfers and curb industrial subsidies.

Another source familiar with the talks said that Washington and Beijing were close to agreement on non-enforcement issues, including China's pledges to increase purchases of farm, energy and manufactured products, as well as six agreements on structural policy changes.

REUTERS/FILE

A worker walks past shipping containers at the Port of Shanghai.

US President Donald Trump and Chinese President Xi Jinping could seal a formal trade deal at a summit around March 27 given progress in talks between the two countries, the Wall Street Journal reported on Sunday.

In an eight-month trade war, the United States has imposed punitive tariffs on $250 billion worth of imports from China, while Beijing has hit back with tariffs on $110 billion worth of US goods, including soybeans and other commodities. The actions have roiled financial markets, disrupted manufacturing supply chains and reduced US farm exports.

Trump administration officials have said they expect the two presidents to "close" a deal at a summit in coming weeks at Trump's Mar-a-Lago estate in Florida. The source briefed on the talks said that no dates for a summit had been determined, but that Beijing had reserved a 10-day window from around March 20 for a possible summit.

The Wall Street Journal said that in the pending agreement, China would lower tariffs on US-made goods including agricultural products, chemicals and cars in exchange for sanctions relief from Washington, citing people briefed on the matter on both sides.

The newspaper's sources cautioned that hurdles remain, and each side faces possible resistance at home that the terms are too favorable to the other side.

As a part of the deal there would be a $18 billion purchase of natural-gas from Houston-based Cheniere Energy Inc, the report said.

Cheniere declined to comment on the potential for a new LNG supply deal with China, a spokesman said. It last year signed a 20-year deal to supply state-run Chinese National Petroleum Corp (CNPC) with natural gas from its Louisiana export terminal through 2043.

Indonesia, Australia sign long-awaited trade pact

AFP, *Jakarta*

INDONESIA and Australia on Monday signed a long-awaited trade deal after months of diplomatic tension over Canberra's contentious plan to move its embassy to Jerusalem.

Indonesian trade minister Enggartiasto Lukita and his Australian counterpart Simon Birmingham wrapped up the multi-billion-dollar agreement in Jakarta, some nine years after negotiations first started.

The pact will include improved access for Australian cattle and sheep farmers to Indonesia's 260 million people, while Australian universities, health providers and miners will also benefit from easier entry to Southeast Asia's biggest economy.

Greater access to the Australian market is expected to spur Indonesia's automotive and textile industries, and boost exports of timber, electronics and medicinal goods.

Bilateral trade was worth US$11.7 billion in 2017, but Indonesia is only Australia's 13th-largest trading partner and the economic relationship has been viewed as underdone.

Both ministers touted the deal as indicative of deepening ties between the two countries, which have occasionally butted heads on foreign policy issues, including Australia's hardline policy on asylum seekers.

Birmingham said the deal marked a "new chapter of cooperation" between the two neighbours.

"The signing of the Indonesia-Australia Comprehensive Economic Partnership Agreement brings our two nations closer together than ever before," Birmingham told reporters.

Lukita said the signing had the potential to transform the economy of both countries.

"Today is definitely the brightest moment of the Indonesia-Australia relationship," he said.

The deal has been in negotiation since 2010 and was expected to be signed before the end of last year, but it stalled when Prime Minister Scott Morrison proposed the relocation of Australia's embassy to Jerusalem.

Morrison first floated the shift in October, ahead of a critical by-election in a Sydney suburb with a sizeable Jewish population. Indonesia, the world's most populous Muslim nation, was angered by the proposal.

Both Israel and the Palestinians claim Jerusalem as their capital. Most nations have avoided moving embassies there to prevent inflaming peace talks on the city's final status -- until President Donald Trump unilaterally moved the US embassy early last year.

In December, Morrison formally recognised west Jerusalem as the capital of Israel, but said the contentious embassy shift from Tel Aviv will not occur until a peace settlement is achieved.

The Australian PM stood by his decision despite outcry from neighbouring Muslim countries. Indonesia in response simply said it had noted the decision.

The agreement will eventually see the elimination of all Australian trade tariffs, while 94 percent of Indonesian duties will be gradually eliminated.

Australian investment in Indonesia totalled $597 million in 2018, but that is expected to increase under the new deal, which also included provisions for greater protection of foreign direct investment.

"Indonesia is a good market for Australia because of the large population (and) the increasing movement of the middle class," economist Kresnayana Yahya, from Surabaya's ITS university, told AFP.

The less developed eastern reaches of Indonesia could significantly benefit from Australian investment, he added.

The trade deal also comes just ahead of national polls in which Indonesian President Joko Widodo is pushing his economic record in the battle for re-election.

AFP

Australian Trade Minister Simon Birmingham delivers his speech during a signing ceremony in Jakarta yesterday.