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A Step Forward



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Peru's Geostrategic Evolution: Navigating Geoeconomic Potential and Geopolitical Realities in Asia-Pacific Integration

Dr. Fu-Chuan Florencia Huang

Associate Professor, Department of Global Politics and Economics,
Tamkang University, Taiwan



Introduction

Peru, historically endowed with abundant natural resources and Inca Heritage, stands as a mining-exporting nation and the premier tourist destination in South America. Presently, its global significance extends beyond natural wealth, encompassing strategic development and a pivotal geopolitical location.

Situated on the Pacific Coast and in central-west South America, Peru's diverse geography encompasses the Pacific Coast, Andes Mountains, and Amazonia, serving as a vital link between Asia, South, and North America.

In the 21st century, Peru underwent a notable economic ascent, transitioning from a lower-middle to an upper-middle-income country in 2008. This transformation, marked by stable macroeconomics, consistent growth, low inflation, manageable debt levels, and a robust investment gateway, is credited to Peru's strategic adoption of a neoliberal model and active engagement in the global economy

through Free Trade Agreements (FTAs) and economic integration, particularly with major Asia-Pacific economies.

This article assesses Peru's engagement in Asia-Pacific integration, highlighting its commitment to Open Regionalism. It explores Peru's contributions to trans-regional integration and the challenges of sustaining economic growth and geopolitical influence.

Embracing Neoliberal Globalization: Peru's Economic Transformation from the 1990s to the 2020s

In the 21st century, Peru's economic advancement can be attributed to its embrace of a neoliberal globalization strategy, characterized by extensive integration with the Asia-Pacific region. This shift was motivated by internal imperatives such as addressing terrorism and achieving economic

stabilization. Concurrently, external factors, including changes in geoeconomic dynamics in the region, played a pivotal role.

Internally, President Fujimori's administration in the 1990s implemented neoliberal policies to tackle terrorism and stabilize the economy, spurred by an IMF bailout that hinged on adopting neoliberalism. Subsequent administrations, including Alejandro Toledo and Ollanta Humala, continued this trajectory, viewing export expansion and FTAs as essential for economic growth and attracting Foreign Direct Investment (FDI). External influences further shaped Peru's trajectory, with China's ascent as a major player in LAC recalibrating the geopolitical and economic landscape. Peru, alongside market-friendly Andean economies and Mexico, adhered to the neoliberal model and pursued an "outward-looking growth" strategy. The Pacific Alliance (PA), driven by the vision of former Peruvian President Alan García, emerged as a strategic initiative to align their economies with the Asia-Pacific.¹

During the initial two decades of the 21st century, Peru experienced a notable threefold rise in its GDP per capita,² propelled by strong exports of minerals and agricultural products. The "Commodity Boom"³ fueled by China's rise from 2003 to 2013 played a crucial role in driving Peru's economic growth. Additionally, the establishment of the PA in 2011 marked a significant milestone, signifying Peru's dedication to neoliberal globalization through FTAs and deep economic integration.

Subsequently, in 2018, Peru became a participant in initiatives like the Belt and Road Initiative (BRI), followed by its inclusion in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in 2021. This strategic approach successfully expanded Peru's export market, cultivating significant partnerships with key economies such as China, South Korea, and Japan.

Trade with Asia experienced a dramatic increase, reshaping Peru's trade partners and export destinations. China emerged as Peru's primary trade partner, followed by South Korea, Japan, India, and Canada. Peru's strengthened export capabilities and expanded market presence solidified its status as one of the "Four Pumas" with the Pacific Alliance economies, establishing itself as one of the most dynamic South American countries in the global market.

Peru's Engagement in Regional and Trans-Regional Integration

Peru's economic growth stems from market-friendly approaches and active participation in bilateral FTAs and regional integration initiatives like the PA, CPTPP, APEC, and BRI. This convergence positions Peru as a potential regional center for cross-regional collaborations in the upcoming decade.

Peru actively participates in the PA and the CPTPP, dynamic integration mechanisms in Latin

1. Guillermo Alexander Luna Arévalo, 2014. "La Alianza Pacífico: geopolítica e integración económica." *Revista VIA IURIS*, Enero-Junio, pp. 162-165.

2. Peru's GDP per capita increased from 1941 in 2000 to 7125 in 2022, which has increased 3.6 times. Source: The World Bank, 2022. "Peru's GDP per capita 2000 to 2022", The World Bank. Retrieved from: <https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG?contextual=aggregate&end=2022&locations=PE&start=2001> (January 21, 2024)

3. In 2021 Peru's top exports are copper ore, gold, refined copper, animal meal and pellets, and iron Ore, exported mostly to China (\$17.7B), the United States (\$7.39B), South Korea (\$2.82B), Japan (\$2.78B), and Canada (\$2.76B). Source: The Observatory of Economic Complexity, 2024. "Peru's Profile- Peru's top exports and trade partners," The Observatory of Economic Complexity (OEC), Retrieved from: <https://oec.world/en/profile/country/per> (January 20, 2024).

America and Asia-Pacific. Both alliances advocate liberal economic ideologies, emphasizing free trade and investment. The PA, ranked second only to MERCOSUR, holds significance in regional production (230 million), foreign direct investment (38%), exports (46%), and imports (50%).⁴ In contrast, the CPTPP, covering 500 million people, constitutes 12% of the world's GDP. Both blocs are recognized for high-quality FTAs, pursuing WTO-plus and -extra agreements to facilitate the free circulation of goods, services, capital, and personal movement. While designed to foster market competition, economic growth, and structural reforms, the CPTPP imposes stringent Rules of Origin (RoO) and Regional Value Content (RVC) standards.⁵ Given their heavy reliance on agricultural and mineral exports, this could create hurdles for Peru and Chile to benefit fully from the restructuring process.

As a high-quality integration mechanism, the PA adopts an innovative “early harvest approach”⁶ to promptly address trade and investment-related issues, proving effective. However, intra-PA trade remains relatively subdued due to the absence of industrial complementarity. To address this, the PA strategically strengthens ties with entities like APEC, ASEAN, and East Asia to boost trade and investment. As a model of Open Regionalism, the PA actively invites new members,⁷ emphasizing dedication to expanding collaborative partnerships.

The PA nations, including Chile, Colombia, Peru, and Mexico, negotiate bilateral FTAs with major economies, aligning with existing regional agreements like CPTPP and APEC's roadmap towards FTAA. Pursuing multiple bilateral FTAs underscores members' proactive involvement in fostering strong economic ties. Uniquely, the PA coordinates trade agencies and sets up joint trade promotion offices, collectively promoting investment opportunities and facilitating business connections. This collaborative approach seeks to attract Asian FDI, positioning the PA as a collective “nation-branding strategy” to bolster economic prosperity and international bargaining power in the evolving Asia Century.⁸

Furthermore, three PA members are part of APEC, with Peru hosting the organization this year. The interconnectedness of these mechanisms encourages substantial engagement, regulatory alignment, and institutional convergence regarding trade and investment. This synergy not only streamlines trade for Peru but also broadens its influence in the Asia-Pacific region.

The Evolving Role of the Pacific Alliance in South America's Geopolitical and Geoeconomic Landscape

The PA is gaining prominence in South America, emerging as a viable alternative to traditional investment avenues represented by MERCOSUR. In

4. Paola Andrea Baroni and Tamara Spagnolo, 2022. “The Pacific Alliance and ASEAN: opportunities and challenges in the strengthening of ties,” *Journal of Business*, Vol. 14, No. 1, p. 61.

5. CPTPP demands that 99.4% of products meet tariff classification criteria.

6. The PA statistics indicate that 92% of goods have been traded freely within the first five years. The rest 8% will be exempted within 3-17 years starting from 2016.

7. The observers of the PA include a majority of countries in the Americas, EU, and Asia. Prominent trade participants such as the USA, Mercosur, EU, China, Japan, South Korea, and Singapore are among them. Currently, Costa Rica and Panama are in the process of applying for membership, encountering challenges in the ratification process. In 2017, Canada, Australia, New Zealand, and Singapore engaged in discussions about the potential of becoming associate members.

8. Detlef Nolte, 2016. “The Pacific Alliance: nation-branding through regional organizations,” *GIGA Focus Lateinamerika*, August, No. 4., pp. 1-6.

South America's geopolitical and economic fabric, MERCOSUR, alongside Brazil's hegemonic influence, has historically wielded significant power. The rise of PA introduces a new growth pole that competes with, yet cooperates alongside, MERCOSUR. While MERCOSUR has been the historical focal point for FDI, its decision-making processes, emphasizing consensus and protectionist policies, pose challenges when engaging in FTAs with external partners. In contrast, PA embraces an open and progressive approach to liberal trade, potentially empowering Peru and Chile to become the hub-and-spoke of the FTA structure.

The PA's model offers investors advantageous conditions, allowing them to leverage RoO and FDI preferences. This fosters liberalized investment and facilitates exports to the USA, Canada, and the EU. With Trade in Services integrated into the PA framework and the region's abundant resources, there is substantial potential for the area to benefit from the energy transition, and the development of the telecommunication, government procurement sectors, etc.

Furthermore, the PA strategically integrates its capital market by introducing the "MILA Stock Index"⁹. The MILA Stock Index, launched in 2015 in Frankfurt and London, serves to enhance foreign investors' access to finance when doing business in the region. This move positions the PA in direct competition in attracting FDI with top FDI

destination Brazil and the Brazilian "Bovespa Index" within the region.

Leveraging its extensive FTA network, the PA establishes a stable and predictable legal framework for businesses and investors. Strategically, the PA positions itself as a collective competitor to Brazil's geopolitical and economic influence in South America, while simultaneously attracting Asian FDI to the region. The PA aims to position itself as the primary political and economic intermediary between Latin America, the USA, China, and Asia. This transformation solidifies the PA as a new focal point for foreign investment. Among the four members, Peru and Chile emerge as notable contenders to play pivotal roles in bridging the trans-Pacific gap.

Peru and Chile regard China as their primary trade partner, with the United States and the EU closely behind. Peru's influential role in South America's sub-regional and trans-regional integration is underscored by an extensive network of FTAs¹⁰ with significant partners, including the USA (PTFTA, 2009), China (2010), South Korea (2011), Japan (2012), Singapore, participation in CPTPP (2021), and involvement in the BRI (2019). Additionally, Peru has Framework Agreements with MERCOSUR and EU,¹¹ FTAs with Canada, Spain, France, Germany, Italy, and England, as well as a preferential agreement with regional partners from Central America and Cuba, according to the International Trade Administration.¹²

9. MILA stands for the Latin American Integrated Market (Mercado Integrado Latinoamericano). The primary goal of MILA is to integrate the stock markets of Chile, Colombia, Peru, and Mexico. This integration enables cross-border trading of stocks, offering investors access to a more expansive market.

10. Peru holds 24 FTAs with substantial trade partners, and four additional FTAs are pending entry into effect. Presently, the country is actively negotiating an additional eight FTAs. Ministerio del Comercio Exterior y Turismo, 2024. "Acuerdos Comerciales del Perú", Ministerio del Comercio Exterior y Turismo. Retrieved From: <https://www.acuerdoscomerciales.gob.pe/> (January 24, 2024)

11. EU-Colombia-Peru-Ecuador Trade Agreements. The EU's extensive trade agreement with Colombia and Peru has been provisionally applied with Peru since March 1, 2013, and with Colombia since August 1, 2013. Subsequently, on January 1, 2017, Ecuador also participated in the agreement.

12. International Trade Administration, 2024. "Peru-Country Commercial Guide", International Trade Administration. Retrieved From: <https://www.trade.gov/country-commercial-guides/peru-trade-agreements> (January 20, 2024)

As a member of two robust trade blocs, the PA and the CPTPP, Peru demonstrates its commitment to embracing globalization with greater openness. While both agreements promote progressive trade agendas, the PA uniquely addresses geopolitical concerns to counter Brazil's dominance in Latin America. Paradoxically, the PA not only competes with MERCOSUR but also seeks to connect with it, creating a hub for Asian traders and investors spanning the Pacific and Atlantic. Unlike Mexico, restricted by the USMCA from signing FTAs with non-market economies like China, Peru, and Chile, with their extensive FTAs with Asian nations, are better positioned to vie for the strategic hub of the Asia-Pacific region.

Peru's Strategic Position as a Gateway for the BRI and a Pivot in Asia-Pacific Integration

The prospect of Peru's emerging as a potential gateway in Asia-Pacific integration hinges on the outcome of two ongoing major infrastructure projects, **the Chancay Port and Bi-Oceanic Railway projects**, primarily financed by China's BRI. The strategic alliance between Peru and China, established by signing an FTA in 2010 and further strengthened by Peru's inclusion in the BRI in 2019, has dramatically bolstered bilateral relations. This collaboration can potentially enhance Peru's global positioning on the world map.

The Chancay Port represents a significant initiative geared towards establishing a major maritime hub along the Pacific Rim. This ambitious project is a collaboration between the Chinese company Cosco Shipping Ports Co (CSPC) and the local construction firm Volcán Minera. The completion of the strategic port is estimated by the last quarter of 2024.¹³

With its substantial scale and throughput capacity, the Chancay Port is designed to handle mega-containers and projected one million containers throughput per year, facilitating direct shipments from Shanghai to Peru. This transformative capability positions Peru to compete with established maritime routes such as the Panama Canal,¹⁴ Chile's Antofagasta, or Iquique. Upon completion, the Chancay Port is poised to become a vital gateway for cargo transshipment in South America, fostering integration with neighboring countries ranging from Chile, Ecuador, Colombia, and Bolivia to Brazil and Argentina.

The Central Bi-Oceanic Railway Corridor (CBRC) stands as another significant initiative with the potential to drive Peru's economic prosperity. The absence of a west-east rail network in South America has led to higher logistics costs compared to other continents. The Bi-Oceanic Railway¹⁵ was conceived to plan the optimal route connecting Brazil, Bolivia, and Peru, linking the Pacific and Atlantic ends to facilitate exports to Asia. The initially proposed route faced substantial resistance, primarily due to environmental

13. The works on the new Chancay Multipurpose Port Terminal are 45% complete, with its inauguration scheduled for the Summit of the APEC held in Peru by the last quarter of the 2024. Source: América Economía, 2023. "Perú proyecta que el nuevo puerto de Chancay captará interés de exportadores de países vecinos," *América Economía*, Oct. 4, 2023. Retrieved From: <https://www.americaeconomia.com/negocios-e-industrias/peru-proyecta-que-el-nuevo-puerto-de-chancay-captara-interes-de-exportadores> (January 28, 2024)

14. The Chinese state-owned enterprise experienced a setback in 2017 with the unsuccessful pilot project of the Isla Margarita Port Terminal in Panama.

15. Initially proposed by Bolivia's ex-President Evo Morales, the agreement to construct the bi-oceanic railway was reached with China in 2014.

concerns when passing through Bolivia. Moreover, challenges encountered by Brazil and Peru in negotiations with China's finance, involving issues related to technological standards, construction costs, and environmental considerations, have cast the entire initiative into a state of uncertainty.¹⁶ Consequently, the envisioned alternative corridor ultimately favors Chile, Argentina, Paraguay, and Brazil.¹⁷ Nonetheless, Peru is still actively negotiating with Bolivia, Paraguay, and Brazil to finalize the original route.¹⁸

If the Peru-Brazil railway were in place, it could enhance transportation efficiency by providing a streamlined route from Brazil (Mato Grosso's hinterland) through Bolivia to Peru (Chancay Port). This Bi-Oceanic railway would directly compete with the Brazil (Santo's port and hinterland) - Argentina - Paraguay - Chile (Antofagasta-Iquique) highway, anticipated to be completed in 2025. Currently, the Chancay Port is nearing completion. It is expected to significantly reduce shipping durations from South America to China, decreasing it from 35 days to 23 days, as Peru's National News Agency--Agencia Andina, and Infobae reported.¹⁹ Together with the finalization of the railway, it would create a synergy effect to transform Peru. This competition underscores the geopolitical complexities of regional interests and conflicts, as Chile and Peru collaborate within the

PA while competing to dominate South Pacific maritime trade.

Peru, with 22 trade agreements encompassing 58 economies, is poised to become a pivotal Trans-Pacific hub upon completing two significant projects. This strategic advantage is expected to attract heightened levels of Asian trade and investment to the South American region, providing a distinctive edge for Peru compared to Chile. Despite the Chile-Brazil corridor nearing completion earlier, the finalization of the Peru-Brazil route is likely to redirect regional trade to Peru, given the superior maritime throughput capabilities of the Chancay Port, surpassing those of the Chilean port. Additionally, the route from Peru to China is shorter than the route from Chile to China.

Another critical facet of the great power competition in the region revolves around allocating mining concessions. Amid the ongoing trade tensions between the United States and China, expanding beyond semiconductor chips to lithium, South America's Lithium Triangle (Argentina, Bolivia, Chile) and Peru's recently discovered Falchani mines in Puno (ranking as the world's sixth-largest hard rock lithium reserve), has acquired heightened geopolitical significance. Collectively, the region represents 54% of the world's lithium reserves.²⁰ The presence of the U.S. and Chinese mining enterprises in the region

16. Leolino Dourado, 2022. 'China-Backed Infrastructure in the Global South: Lessons from the Case of the Brazil-Peru Transcontinental Railway Project.' *Third World Quarterly*, Vol. 44, no. 4, pp. 814-832.

17. Secretaría de Relaciones Económicas Internacionales, 2023. "SUBREI participates in the X Meeting of the Bioceanic Road Corridor," Ministerio de Relaciones Exteriores de Chile, Nov. 27, 2023, Retrieved From: <https://www.subrei.gob.cl/sala-de-prensa/noticias/detalle-noticias/2023/11/27/subrei-participa-de-x-reuni%C3%B3n-del-corredor-bioce%C3%A1nico-vial>

18. Ministerio de Obras Públicas, Servicios y Viviendas de Bolivia, 2024. "Corredor Bioceánico: Gobierno confirma reunión con Brasil, Perú y Paraguay este 27 de junio," Ministerio de Obras Públicas, Servicios y Viviendas de Bolivia, Retrieved From: <https://www.oopp.gob.bo/corredor-bioceanico-gobierno-confirma-reunion-con-brasil-peru-y-paraguay-este-27-de-junio/> (January 24, 2024).

19. Félix Arias Schreiber, 2024. "Puertos de Chancay y Paracas conectarán agroexportaciones con Asia," *Infobae*, Jan. 25, 2024. Retrieved From: <https://www.infobae.com/peru/2024/01/25/puertos-de-chancay-y-paracas-conectaran-agroexportaciones-con-asia/> (January 28, 2024)

20. Guo, 2023. Ibid.

emphasizes its strategic significance. Additionally, China is keen to invest in mineral-endowed nations like Ecuador and Bolivia. The strategic positioning of Peru, situated in close proximity to the mineral reserves of the Andean region, accentuates the escalating significance of mineral exports through the Chancay Port. This dynamic amplifies Peru's bargaining power, whether competing independently or in collaboration with Chile, in its engagements with these global economic giants, thereby advancing its international status.

Peru's Prospects and Challenges on the Horizon

In conclusion, as Peru stands at the intersection of opportunities and challenges, it is crucial for the country to leverage geoeconomic dynamics strategically and position itself as a Trans-Pacific pivot. This distinctive geoeconomic advantage sets Peru apart in the regional landscape. Nevertheless, it concurrently places Peru in a potential conflict zone within the geopolitical rivalry between the United States and China, given that Peru's strategic positioning is intricately linked with China's interests in the region.

In addition, when contemplating Peru's future opportunities and challenges, the benefits derived from neoliberal globalization are juxtaposed with cyclical imbalance, persistent social inequality, and concerns about human capital. Peru's pursuit of neoliberal globalization is hampered by its heavy reliance on exporting raw materials. When global demand and commodity prices are low, Peru encounters difficulties as interest rates rise in response, exacerbating payment imbalances. Despite making progress in developing its infrastructure niche, Peru lags in establishing systematic competitiveness that effectively leverages its national comparative advantages. This deficiency is attributed to shortcomings in human resources, technology backwardness, informal

sector and Small and Medium Enterprises (SMEs), and governance performance. If these challenges are not appropriately addressed, Peru may fail to fully benefit from more significant economic growth and could lose market share to external competitors.

The prevailing and prolonged political crisis, which began in 2018 and involved successive administrations from Pablo Kuczynski to Castillo Petro and Dina Boluarte, is intricately connected to issues of governance, corruption, and the enduring influence of Fujimori's constitutional legacy. Notably, these challenges are deeply rooted in structural and governance dynamics.

Looking forward, as Peru contemplates further openness through its involvement in the CPTPP and the PA, it finds itself on the verge of competition with Chile for FDI and strategic positioning in the region. Given Peru's historical reliance on resource-seeking FDI, a strategic recalibration is imperative. Future economic strategies must focus on directing potential FDI toward sectors aligning with or enhancing its comparative advantage.

In conjunction with ongoing market-driven and institution-driven structural reforms, Peru's future hinges on significant investment in human capital and economic structural transformation, the cornerstone for sustainable development.

Making the Future Work for Everyone: Disability Inclusion Stands as Potential of Undervalued Workers in Times of Talent Scarcity

Cindy Chen

SVP & Head of
Adecco East Asia,
The Adecco Group



Madeleine Huang

Sr. Manager Diversity &
Inclusion,
The Adecco Group



71% of CEOs are concerned about the impact of labour shortages on their business strategy while the same percentage of workers are satisfied with their sense of job security. It's clear that organizations are operating in a candidate-driven market. In this environment, it would be remiss of any business leader to overlook a capable pool of potential employees out of fear or ignorance of their label: disabled.

Research from Accenture, in collaboration with Disability:IN and the American Association of People with Disabilities (AAPD), revealed how companies that embrace best practices for employing and supporting people with disabilities are, on average, twice as likely to have higher total shareholder returns.

From the article of “closing the disability inclusion gap with business leadership” of 2023 World Economic Forum mentioned over 1.3 billion people live with different forms of disability, representing 17% of the global population, which is

the largest minority group worldwide. The Valuable 500 (the largest global network of chief executives committed to disability inclusion), since its launch at the World Economic Forum Annual Meeting in January 2019, has achieved its initial goal of convincing 500 multinational organizations to make a public commitment to disability inclusion. However, “There is a global disability inequality crisis. And it can't be fixed by governments and charities alone. It needs the most powerful force on the planet: business.” from Caroline Casey, Founder of the Valuable 500.

According to the report of the Valuable 500, “Disability inclusion and ESG”, disability inclusion is a key factor within the ESG framework across each of the three pillars, Environmental, Social and Governance, which states different perspectives to ensure the sustainability of built environment, treat the labor force to equal access to employment for people with disabilities to the evaluation of board composition and management practices

necessitates representation of disabled people at leadership level, as well as corporate strategies for disability inclusion.

Companies around the world are beginning to include disability data in ESG reporting. One of regional trends in North America is the U.S. travel and tourism sector, which is to solve systemic accessibility problems. Apart from North America, major European fashion and beauty brands are innovating to bring assistive technology and adaptive clothing to their disabled consumers. As for Asia Pacific, there is a growing focus on accessibility and inclusion within the tech industry.

From an investor perspective, evidence also suggests that disability-inclusive businesses perform better. Companies that specifically prioritize disability inclusion practices have been found to benefit from increased productivity and lower employee turnover rates, while developing a more positive public image.

The Adecco Group is contributing to “the 2030 Agenda for Sustainable Development”. This agenda and its underlying 17 Sustainable Development Goals (SDGs) were adopted by the member states of the United Nations in 2015. The UN set out a clear roadmap towards ending extreme poverty, fighting inequality and injustice, and protecting our planet. There are many touchpoints between the SDGs and the world of work, which connects all social partners and is the principal provider of livelihoods and security. It’s crucial, now more than ever, for labour market stakeholders to come together and realise the tremendous opportunity – and responsibility – they have to create a more sustainable future.

As one of its prominent actors, we are fully committed to playing our part, to harness our expertise and resources to contribute to the achievement of this important vision. In the Adecco Group, we focus particularly on those goals where

we can have the biggest impact – help unlock future potential, facilitate access to work, and enable better economic development, wellbeing, livelihoods and security – while directly and indirectly contributing to many more.

In 2021, we launched a new SDG-focused campaign shining a light on our collective responsibility, as shapers and participants in the world of work. It leverages our expertise to make employment a key driver of sustainable development and provides insights for next steps employers can take towards the achievement of the 2030 agenda. Our global reach and portfolio of leading brands gives us unparalleled insight into the trends that are shaping the way we work and how companies are rethinking how they build and optimize their workforces. From geopolitical uncertainties and demographic trends to emerging technologies and skills imbalances, our research helps shape policy, form public opinion and contribute to the effective implementation of regulations and frameworks around the world.

Over 1 billion people live with some form of disability according to the World Health Organisation, and an estimated 386 million of the world’s working-age people have different kinds of disability, according to the International Labour Organization (ILO).

Unemployment among the persons with disabilities is as high as 80 percent in some countries. Employers often assume that persons with disabilities are unable to work. In addition to that, they have lower earnings than persons without disabilities. They are often relegated to low-level, low-paid jobs with little social and legal security, or segregated from the mainstream labour market, according to the ILO.

What are the key things that companies can do to drive more inclusion for people with disabilities, which should provide employment opportunities

for them and create an environment where people with disabilities feel comfortable and can contribute their best to business success?

For most of us, having a job is a regular part of our daily lives. We take working and pursuing a career for granted. However, among us, there are those for whom finding a job remains a distant dream that is beyond their reach.

People with a disability face hurdles many of us are not even aware of. Our societies tend to undervalue their contribution by equating their employment with charity. We believe that all people should be given the opportunity to be part of the workplace without being held back by artificial barriers and boundaries.

What we did in Adecco Europe

One example in Adecco Spain is the “Job filter” initiative we launched. This Job Filter initiative’s message is clear and simple: life changes for people with disabilities when they find a job. In Spain, almost 4 million people with disabilities view working as only a dream. In general, in our society, being able to work and having a job in which you are treated fairly is a fundamental right for any person. For people with disabilities, society tends to relate employment to charity and if a particular job is seen as more critical, or the working conditions are not as safe, we cannot ask them to take on this role.

The lives of people with disabilities improve with a rewarding job. Employment has a positive impact on autonomy and independence, inclusion in society, self-esteem, personal fulfilment and, ultimately, makes us all happier.

With this job filter, we want to change this idea that labour inclusion is a form of charity, rather than a fundamental right for everyone.

What we are doing in Adecco Taiwan

We outline our internal initiatives, such as the establishment of a dedicated Diversity & Inclusion (D&I) department, as well as external engagements with universities and NGOs, aimed at promoting inclusiveness and supporting individuals with disabilities. By sharing our experiences and accomplishments, we hope to inspire other organizations to go beyond mere compliance and actively contribute to the attainment of their Environmental, Social, and Governance (ESG) goals in the realm of diversity, equity, and inclusion (DEI).

In line with our commitment to creating an inclusive work environment, our organization has adopted a global strategy titled "Making Future Work for Everyone" This strategy emphasizes the significance of providing equal opportunities for individuals from all walks of life. We present our internal and external initiatives that support this strategy and showcase the progress we have made in promoting diversity and inclusion.

Internal Initiatives

To reinforce our commitment to diversity and inclusion, we have established a dedicated D&I department, effective from 2022. This department aims to foster a culture of D&I within the Adecco Group. We have undertaken various measures to increase employee awareness, such as disseminating D&I newsletters, developing a comprehensive policy for LGBTQ+ colleagues, and providing D&I training to new hires within their first month. Additionally, we have launched a free online academy available 24/7 to facilitate continuous learning. Moreover, we have formed a D&I allyship, attracting more than 55 colleagues across the organization to serve as D&I influencers. Looking ahead, our 2023/2024 D&I priorities, we focus on disability, LGBTQ+ issues, and rural

education. Worth mention is our commitment to aggressively hiring individuals with disabilities, which led us to employ a second employee in the D&I department in 2023— who is a person with disabilities and brings a guide dog to work. This hiring experience has enabled us to forge valuable partnerships with disability support offices in universities, develop client solutions, and plan D&I projects and activities with a diversity-focused perspective.

External Engagements

Apart from our internal efforts, we have initiated collaborations with disability support offices in universities to assist students with disabilities in various aspects of their career development. These engagements involve career consulting, market trend speeches, resume reviews, interview skill refinement, as well as internships in corporations. Furthermore, we have partnered with select NGOs to help individuals with disabilities explore career opportunities. Through these external engagements, we aim to build a talent pool of individuals with disabilities, enabling us to recognize their skills and demonstrate that labor inclusion is not an act of charity but a fundamental right.

We are dedicated to the cause of advancing diversity, equity, and inclusion in the workplace. By implementing internal initiatives and engaging with external stakeholders, we have made significant strides in promoting inclusivity and fostering a culture that values everyone's contributions. We hope that by sharing our experiences, organizations will be motivated to go beyond mere compliance and actively contribute to the achievement of DEI-related ESG goals, thereby creating a more equitable and inclusive future of work for all.

Diffability

A more inclusive way of understanding people with disabilities. The term diffability is gaining

prevalence as an alternative to disability, which removes the negative connotations around the prefix dis that literally means apart, deprived, or excluded. Showcasing individuals with diffability allows us to spotlight unique powers that are often overshadowed by stories that focus on disability. Stories of diffability help make the case for hiring workers with disabilities, not simply to meet inclusivity criteria or moral obligations, but because it brings unique skills and perspectives into the organization which is simply good for business.

To further build on our commitment to inclusion, the Adecco Group has joined “The Valuable 500” initiative. This initiative is a global movement dedicated to placing disability on the business leadership agenda. Joining this campaign presents a great opportunity to intensify the Adecco Group’s engagement with employers to develop programs and pathways that embrace diverse talent. We will reduce barriers to workforce both by strengthening people’s employability through training and by adapting our own employment policies and practices.

In times of talent scarcity, overlooking an eager and available source of talent is entirely illogical. It’s time for employers to dig deeper and address the tough question of WHY stigmatization towards workers with disabilities still exists in their organization. By sharing stories of diffability, highlighting the unique capabilities of workers with disabilities, we can all start to shift the socially constructed narrative of “otherness,” leading to more inclusive organizations that are good for people – and for business.

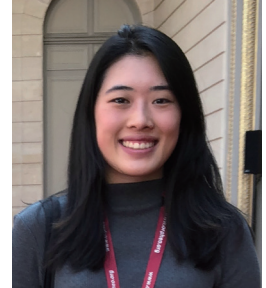
Reference

Source from The Adecco Group internal or external websites; “Closing the disability inclusion gap with business leadership from World Economic Forum and The valuable 500 Global Trends Report.”

Navigating the Tech Talent Gap

Wenju Liao

Assistant Research Fellow,
APEC Study Center



Impact of Digitalisation on Labour Markets:

The Fourth Industrial Revolution has led to the widespread adoption of transformative technology, changing how we work across various sectors and regions. Innovations such as big data, cloud computing, and artificial intelligence are expected to significantly shape future trends, with most companies planning to incorporate them into their operations by 2027.¹

Opportunities and Challenges in Tomorrow's Labour Markets:

Digitalisation has revolutionised commerce and trade, driven by platforms, apps, e-commerce, and digital trade, impacting sectors beyond just economics. While the digital age offers unprecedented opportunities for progress, this revolution is not without risk, nor does it benefit everyone equally.

Studies suggest that the increasing adoption of automation could lead to 63 million job losses in the Asia-Pacific region by 2040.² This trend raises concerns about job displacement, particularly for women, who face heightened risks due to entrenched biases. However, closing the door on digital is not an option. Embracing

it can unlock numerous new opportunities, particularly in Southeast Asia, where digital skills are increasingly in demand.³ Projections indicate that the accelerated adoption of digital technologies could generate approximately 65 million new jobs annually in Asia-Pacific by 2025,⁴ but this will require equipping the workforce with digital skills to mitigate the risk of displacement.

The proliferation of digital divides, cybersecurity threats, and online human rights violations underscores the need for comprehensive digital skills development, especially in developing countries.⁵ Bridging the digital divide and ensuring universal access to quality education and vocational training is essential for cultivating a skilled and resilient workforce for the digital economy.

Adapting to the Era of Artificial Intelligence:

The impact of AI on labour markets varies between high-income and low-income economies, reflecting disparities in economic structures, technological adoption rates, educational systems, and governmental policies. In high-income economies, where resources and infrastructure are more abundant, there are greater opportunities to upskill

1.Future of Jobs Report 2023, World Economic Forum, 2023.

2.Forrester's Future of Jobs Forecast: 63 Million Jobs in APAC Will Be Lost to Automation by 2040, Forrester, 2022.

3.LinkedIn Jobs on the Rise 2022: The 20 Southeast Asia Roles That Are Growing in Demand, LinkedIn, 2022.

4.Leveraging Digital Technologies Key to Asia's COVID-19 Recovery, Asian Development Bank, 2021.

5.Roadmap for Digital Cooperation, Report of the Secretary General, United Nations, 2020.

workers and utilize AI to enhance productivity. Despite this, these economies also grapple with challenges such as widening inequality. Conversely, economies with lower incomes may have inadequate digital infrastructure, but their young and expanding working-age populations offer the potential to leapfrog certain stages of technological development through digital skills training programmes. In both contexts, access to quality education and training facilitated by digital technologies is imperative to prevent exclusion from the labour market in both contexts.

Fostering Digital Capacity Building for Inclusive Development:

Digital capacity building is critical to fostering inclusive economic growth, social advancement, and effective governance in today's digital landscape. Collaboration between the public and private sectors is essential to address emerging skills gaps and ensure inclusivity. Governments globally are taking measures to advance digital capacity building, including policy reforms, investments in digital infrastructure, and initiatives to promote digital skills development. However, challenges remain, including the supply-driven nature of capacity-building efforts and insufficient level of investments. Tailoring capacity-building initiatives to individual and national contexts is imperative, as there is no one-size-fits-all approach. This underscores the need for greater coherence and coordination of capacity-building efforts to effectively scale up solutions.⁶

Promoting Digital Inclusion through Multistakeholder Collaboration:

At the global level, organisations such as the United Nations (UN), World Bank, and the International Telecommunication Union (ITU) play a central role in promoting digital capacity-building initiatives

in line with global commitments such as the UN's Sustainable Development Goals, particularly Goal 9 (Industry, Innovation, and Infrastructure) and Goal 4 (Quality Education),⁷ underscore the global commitment to leveraging digital technologies for inclusive development.

In the Asia-Pacific region, the Asia-Pacific Economic Cooperation (APEC) serves as a critical hub for collaborative efforts to strengthen digital infrastructure, accelerate digital transformation, and bridge the digital divide. The Putrajaya Vision 2040 outlines the determination of APEC economies to achieve these objectives. Notably, Micro, Small, and Medium-Sized Enterprises (MSMEs) account for an average of more than 95 per cent of businesses in APEC economies, serving as the backbone of economies globally.⁸ Public-private partnerships within APEC are instrumental in empowering MSMEs and driving digital integration across economies. These partnerships facilitate the development of user-friendly and cost-effective products and solutions, thereby enhancing the ability of MSMEs to innovate and compete in today's digital landscape.

Nevertheless, digitalisation within the APEC region exhibits disparities due to differing interests, priorities, and capacities among APEC economies. To address this challenge, a comprehensive multi-stakeholder network is needed to advocate for inclusive approaches to digital capacity building for sustainable development. Governments play a central role in this endeavour by formulating policies, investing in infrastructure, and promoting digital literacy and skills development. In addition, public-private partnerships are essential to harness the expertise and resources of the private sector to accelerate digital transformation and address complex challenges. By embracing collaboration and innovation, stakeholders can unlock the full potential of the digital age to build resilient and prosperous societies.

6.Ibid.

7.United Nations, Sustainable Development Goals (SDGs).

8.Micro-, Small and Medium-sized Enterprises Day, United Nations, 2023.



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5th Floor, Number 16-8, Dehuei Street,
Zhongshan District, Taipei City 10461,
Taiwan (Republic of China)



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