



## HOW TO ADDRESS THE ISSUE OF SKILL GAP: THE CASE OF PAKISTAN

According to the International Labour Organization (2020), global young unemployment (15-24 years) rate is 13.6% globally. The number of youth that are unemployed and do not have an education or professional training, continues to increase. It means that the young generation requires an access to education and development of relevant skills to find a job and be productive to the economy of the country. Despite the willingness and desire of young people to start their careers, employers experience difficulties in filling the jobs due to the talent shortage of potential workers.

The Manpower Group (2020) conducts an annual "Talent Shortage Report" working with half a million companies in over 80 countries across the globe. As stated in this report, human resource managers do not observe talent shortage that is growing around the world in only 18% of reported countries. Having a significant number of unemployed young people, which negatively impacts economic growth, the recruitment of skilled candidates has become a threatening issue in the long-term perspective of economic development. The phenomenon when employers face issues when hiring appropriate workers is called the *skill gap* and requires more attention since the young generation has significant barriers to enter the labor market. As stated by Deloitte (2018), only in the manufacturing industry of the US, the number of unfilled positions reached 2.4 million in 2018. Consequently, it is important to address the issue of the skill gap by adopting new policies and supporting both employers and employees.

Like other emerging economies, Pakistan urgently needs to prepare its young people for a rising issue of skill gap. Being the fifth most populous country in the world, Pakistan has 64% of people younger than 30 years and 29% between 15 and 29 years. According to the World Bank (2020b), the rate of unemployment among people aged between 15 and 24 years is 8.54%. Furthermore, the lack of education and an ineffective education system do not allow young people to apply their skills at work. The Pakistan Bureau of Statistics (2018) revealed that

80% of the young generation has a low level of education and poor skills that are not applicable to the workplace.

The gap between the needs of companies and the ability of employers to fulfill these needs, or the skill gap requires the young people to reskill, upskill and learn new skills to increase the employment of the country and meet the requirements of the employers to fill the workforce needs. On January 22<sup>nd</sup>, 2020, the World Economic Forum (2020a) launched the Reskilling Revolution, an initiative to provide better education, new skills, and better work opportunities to people around the world by 2030. This initiative was designed to provide employers with the skilled labor force that is needed to fulfill talent shortages, which will be created by innovations of the Fourth Industrial Revolution. Since the technology and the Internet are changing the shape of the world and future, it is important for people to develop skills that will make them adaptable to new roles. With the help of Coursera Inc., LinkedIn, and other organizations, the Reskilling Revolution will create a platform reaching 250 million people worldwide. Moreover, despite the Reskilling Revolution, the World Economic Forum (2020b) created the Closing the Skills Gap Accelerator, which brings together public and private sectors to develop plans based on the local situation with skill gap and addresses it by creating education and training opportunities. Thus, the government of Pakistan cooperated with the World Economic Forum in launching Parwaaz, which provides guidance to young Pakistani people by keeping pace with technological shifts and increasing demand for skilled workers.

With the meaning of the word *parwaaz*, which stands for 'rising' or 'flight' in Urdu, the Parwaaz initiative takes a new approach bringing together the public and private sectors by filling the talent shortages. The government of Pakistan has identified six priority sectors – information and communications technology, financial services, textile, hospitality, retail and services, manufacturing and light engineering, and agriculture and livestock. The Punjab Skill Development

Fund works in collaboration with 42 largest employers to evaluate the labor market regarding the emerging needs of companies. Companies, which take part in the Parwaaz initiative, provide financial and funding support, training facilities and courses. The courses offered to people are standardized to the market needs, so people gain the skills applicable to the relevant roles in one of the six sectors. For instance, the Parwaaz has a Financial Services incubator, which prepares 200 young people to become data analysts, IT specialists and experts. Overall, the departments of the six sectors delivered more than 1.55 million trainings and more than 1.1 million people have successfully graduated with new skills. By working closely in partnership with large industrial players, the government increases the demand for targeted sectors and focuses on providing training and courses for potential workers in key export sectors. For example, the automotive spare parts industry has unfulfilled demand for 50,000 workers for the next three years in producing tools, assemblies, and sheet metals. As for the sector of information and communication technology, the Parwaaz program offers training to develop and upgrade knowledge of people in robotics, electronics, e-commerce, and artificial intelligence. Ultimately, with the government working closely with the private sector, Pakistan has a brighter future in solving the issue of the skill gap.

The studies and reports of employers and human resource managers argue that the issue of the supply of skilled workers has a powerful influence on the state of the labor force and the economy as a whole. The unskilled young people bring another challenge to the governments by increasing unemployment and decreasing economic performance. The governments like Pakistan design programs and mechanisms to upgrade the level of education and skills by founding collaborations of public and private sectors and providing training and courses. Thus, the best way for these countries, which face the issues of skill gap and the unemployment of young people, is to develop regional strategies by evaluating the local data and the needs of local businesses.

## Politics, Foreign Affairs, and Security

- President of Kazakhstan, Kassym-Jomart Tokayev, participated in the session of the Collective Security Council of the Collective Security Treaty Organization (CSTO) via a video conference. President Tokayev emphasized the role of the CSTO as an effective mechanism of interstate interaction for strengthening peace. The CSTO leaders also discussed international and regional security issues, practical measures to combat terrorism, drug trafficking and joint measures in cybersecurity. Following the Summit, the member countries approved and adopted 15 documents (Kazinform, 02.12.2020).
- According to Russia's Foreign Minister, Sergey Lavrov, Russia does not consider Turkey's membership in NATO as an obstacle for cooperation. Lavrov notes that minor gaps and differences are inevitable, but the countries can reach a balance of interests. For instance, even though Russia and Turkey have different approaches in Libya, they created the Astana format together with Iran to solve the crisis in Syria. In all cases, Moscow and Ankara managed to find points of contact (TASS, 05.12.2020).
- The Minister of Foreign Affairs of Turkmenistan, Rashid Meredov, took part in the meeting of the OSCE Ministerial Council via a video conference. During the meeting, the participants discussed joint actions to uphold the values of democracy, the rule of law and individual freedom. In his speech, Minister Meredov expressed the country's appreciation of the cooperation between Turkmenistan and the OSCE in the field of human rights and advocated the creation of more democratic and peaceful Euro-Atlantic and Eurasian regions (Azernews, 04.12.2020).
- Minister of Foreign Affairs of Kyrgyzstan, Ruslan Kazakbaev, held a meeting with the Regional Representative of the Office of the United Nations High Commissioner for Human Rights for Central Asia, Richard Komenda. The sides discussed the upcoming constitutional reform and noted the need for a comprehensive discussion of the draft Constitution of the Kyrgyz Republic with the general population. The parties also emphasized the importance of maintaining an active dialogue on all issues of interest in the field of human rights and freedom (en.kabar.kg, 05.12.2020).
- President of Turkey, Recep Tayyip Erdogan, received the Prime Minister of Ukraine, Denys Shmyhal, in Ankara. The sides discussed a wide range of bilateral issues such as trade, transport, energy and military cooperation. One of the most important issues on the agenda of bilateral relations between the two countries discussed during the meeting was the completion of negotiations on a Free Trade Agreement. The sides are planning to double the bilateral trade, making it \$10 billion a year (Qha.com.ua, 30.12.2020).
- The 19th meeting of the Council of Heads of Governments of the Shanghai Cooperation Organization (SCO) Member States was held online. The participants discussed measures to deepen the cooperation between the SCO member states in various areas, including joint actions aimed at overcoming the consequences of the COVID-19 pandemic. Following the meeting, the participants adopted a joint communique and a plan for the implementation of the SCO Trade and Economic Cooperation Program for 2021-2025 (Astanatimes.com, 02.12.2020).

## Economy, Finance, and Energy

- Recently, the Minister of Agriculture of Kazakhstan, Saparkhan Omarov, attended the government session, where he noted that digitalization process in the sector had significantly contributed to the growth of harvest. In particular, the recent harvest of the country's farmers increased by 10%. According to Omarov, automation of financing of all 16 directions of the agricultural sector exceeds 100%. Moreover, digital technologies reduce costs and allow farmers to save 5-10% of their budget (Kazinform, 02.12.2020).
- The Russian Direct Investment Fund and the Health Ministry of Kazakhstan signed an agreement on cooperation for registration, production and distribution of the Russian Sputnik V vaccine, the efficiency of which exceeds 91%. After Kazakhstan's approval, Russia will transfer technology and supply materials for the production of at least 2 million doses of the vaccine. Localization of production will reduce logistics costs. More than 50 countries ordered 1.2 billion doses of the Sputnik V (TASS, 04.12.2020).
- According to data from the Belarusian Embassy in Uzbekistan, during 10 months of 2020, bilateral trade between the countries equaled \$195 million and increased by 2.2% compared to the same period last year. Belarus exported products worth \$160.7 million, while its imports from Uzbekistan amounted to \$34.3 million. Belarus's export is diversified and consists of more than 300 goods, while Uzbekistan supplies mainly agricultural products such as cotton, fresh vegetables, melons and cherries (BelTA, 02.12.2020).
- Recently, the European Commission granted Uzbekistan the Generalized System of Preferences plus (GSP +) status, which would allow the country to use unilateral tariff preferences when exporting to the European market. As a result, the number of products Uzbekistan can export to the EU will increase to 6200. Various estimates show that the GSP+ scheme will contribute to the growth of exports of textile products at an initial phase from the current \$60 million to \$300 million, which will increase to \$1.2 billion by 2025 (Kabar, 05.12.2020).
- Azerbaijan's gold exports have experienced growth. During 10 months of 2020, the country's exports amounted to \$158.7 million and increased by 11.6% compared to the same period last year. During the reported period, the AzerGold, one of two main gold mining companies, increased its exports by 25.5% and supplied gold worth \$88.2 million. It should be noted that in 2020, gold was ranked second in the list of non-oil exports (AzerNews, 03.12.2020).
- Iran started to export products to Afghanistan through a new Herat-Khaf railway. The first shipment containing 500 tons of cement has already arrived in Afghanistan on a trial basis in order to detect possible problems on the route. Iran allocated \$75 million as an aid for the construction of the railway, started in April 2007. According to the estimates, freight traffic can achieve almost 2 million tons a year, while passenger traffic can reach 321 thousand passengers (Caspian News, 05.12.2020).

## Society and Culture

- Secretary-General of the Turkic Council, Baghdad Amreyev, met with the World Health Organization's (WHO) Regional Director for Europe, Hans Henri P. Kluge, to discuss the organizations' work towards establishing a united action plan for health and collaboration. During the two-day consultations, the WHO representatives of all Turkic Council Member States gave presentations to identify further ways of working together at the country level. The two organizations finalized the action plan and agreed to advocate for health exchange information and experience among the Member States (Euro.who.int, 04.12.2020).
- Ankara held the Third General Assembly of the Islamic Organization for Food Security (IOFS) online. The topic of the assembly was "Sustainable Development of Food Security in the Organization of Islamic Cooperation (OIC) Region". In total, more than 170 participants from the OIC countries took part in the event, during which, the participants exchanged views on food safety and adopted all Resolutions of the Third General Assembly of the IOFS (Astanatimes.com, 04.12.2020).
- The Ministry of Culture of Turkmenistan organized the Kushtdepi International flash mob online in Ashgabat. Artists from Turkic-speaking countries such as Turkey, Azerbaijan, Uzbekistan, Kazakhstan, Kyrgyzstan, Bashkortostan, Tatarstan, Sakha-Yakutia, Kabardino-Balkaria, Moldavian Gagauzia, have joined the online relay and performed the Kushtdepi dance, which was included in the List of the Intangible Cultural Heritage of Humanity in 2017. The event was carried with the support of TURKSOY (Centralasia.news, 04.12.2020).
- Turkmen authorities opened a new mosque in the village of Akin in Afghanistan's Faryab province. The prayer facility with 500 seats was built as part of humanitarian aid. A delegation of Turkmen officials attended the solemn event of the opening of the prayer building. Moreover, the same day a new consignment of humanitarian aid from Turkmenistan, consisting of medicine, food, textile products, and household goods, arrived in the Faryab and Jauzdan provinces of Afghanistan (Centralasia.news, 05.12.2020).
- Kazakh film "The Girl and the Sea" directed by Aziz Zairov and Mukhamed Mamyrbekov received the "Best Social Drama" prize at the Silk Road Film Awards in Cannes. The social film "The Girl and the Sea" is based on events from the real life of the ward Association of Parents of Disabled Children (ARDI), Dinara Sharipova. Film screenings at the Silk Road Film Awards in Cannes are open to independent filmmakers from around the world (Avesta-news.kz, 02.12.2020).
- Chinese scientists have nurtured 20 species of salt-tolerant plants in a nursery garden near the Aral Sea. Plants such as red goosefoot, wild spinach and suaeda salsa not only have grown well in the garden but also proved to be able to reduce the salinity levels of the soil. This desertification technology is expected to build a "green barrier" on the dried shores of the Aral Sea and contribute to the ecological restoration and desertification prevention and control of the region (News.cgtn.com, 06.12.2020).