

achieve

get (sth)

Hewitt Associates | January 2010

## Building the 'Triple E' linkage

*Education - Employability - Economy*

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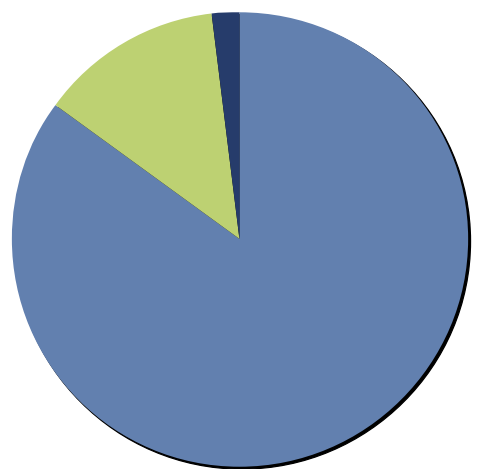


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# Evolution of the Services Sector

Share of the Tertiary (Services) Sector in World GDP has grown rapidly

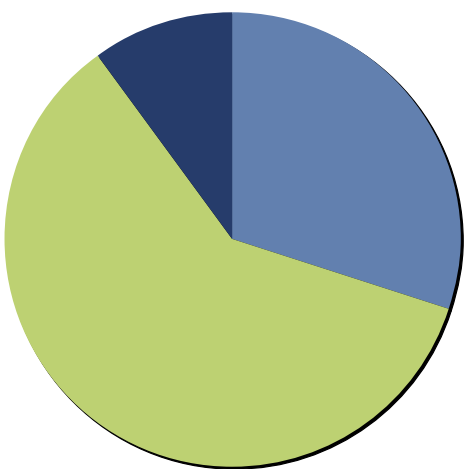
Pre-industrialization



■ Primary ■ Secondary ■ Tertiary

<1%

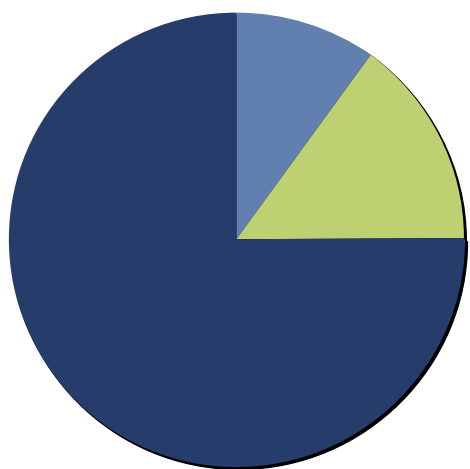
Post Industrialization



■ Primary ■ Secondary ■ Tertiary

~10%

Now



■ Primary ■ Secondary ■ Tertiary

~75%

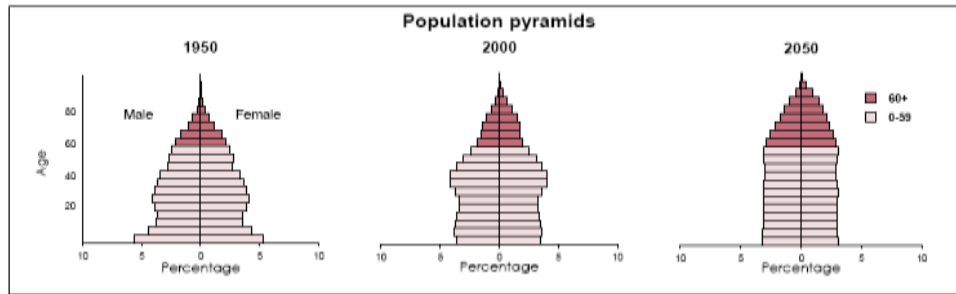
# Implications/Need for Human Capital Interventions

- Country planners need to look at human capital in addition to financial capital in their economic planning process
- Urgent need to supplement and complement educational initiatives with vocational interventions
- Multiple Human Capital strategies need to be considered, including immigration
- Need for strategy that will take us from demographic disaster to demographic dividend



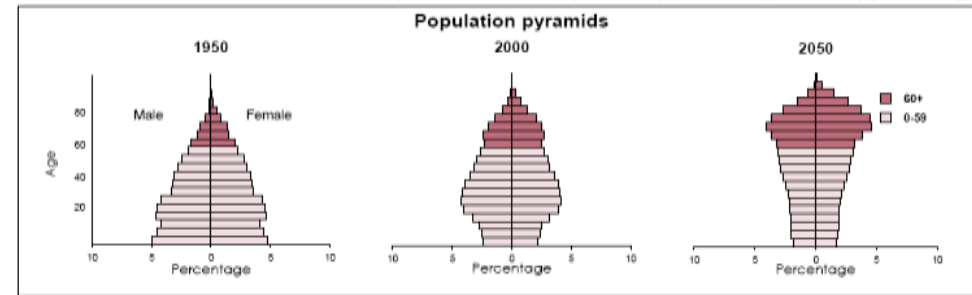
# Country Case Study – United States v/s Spain

## United States



Source: United Nations

## Spain



### United States (2050)

### Spain (2050)

**Dependency Ratio** = Retirees (>64 years)

Workers (15-64 years)

- Number of old people dependant on every 100 workers

**DR: 36.2**

**DR: 84.5**

**Support Ratio** = Workers (15-64 years)

Retirees (>65 years)

- Number of workers available to support every one retiree

**SR: 3.11**

**SR: 1.354**

**Ageing Index** = Retirees (>64 years)

Children (< 15 years)

- Number of retirees per 100 children

**AI: 106.7**

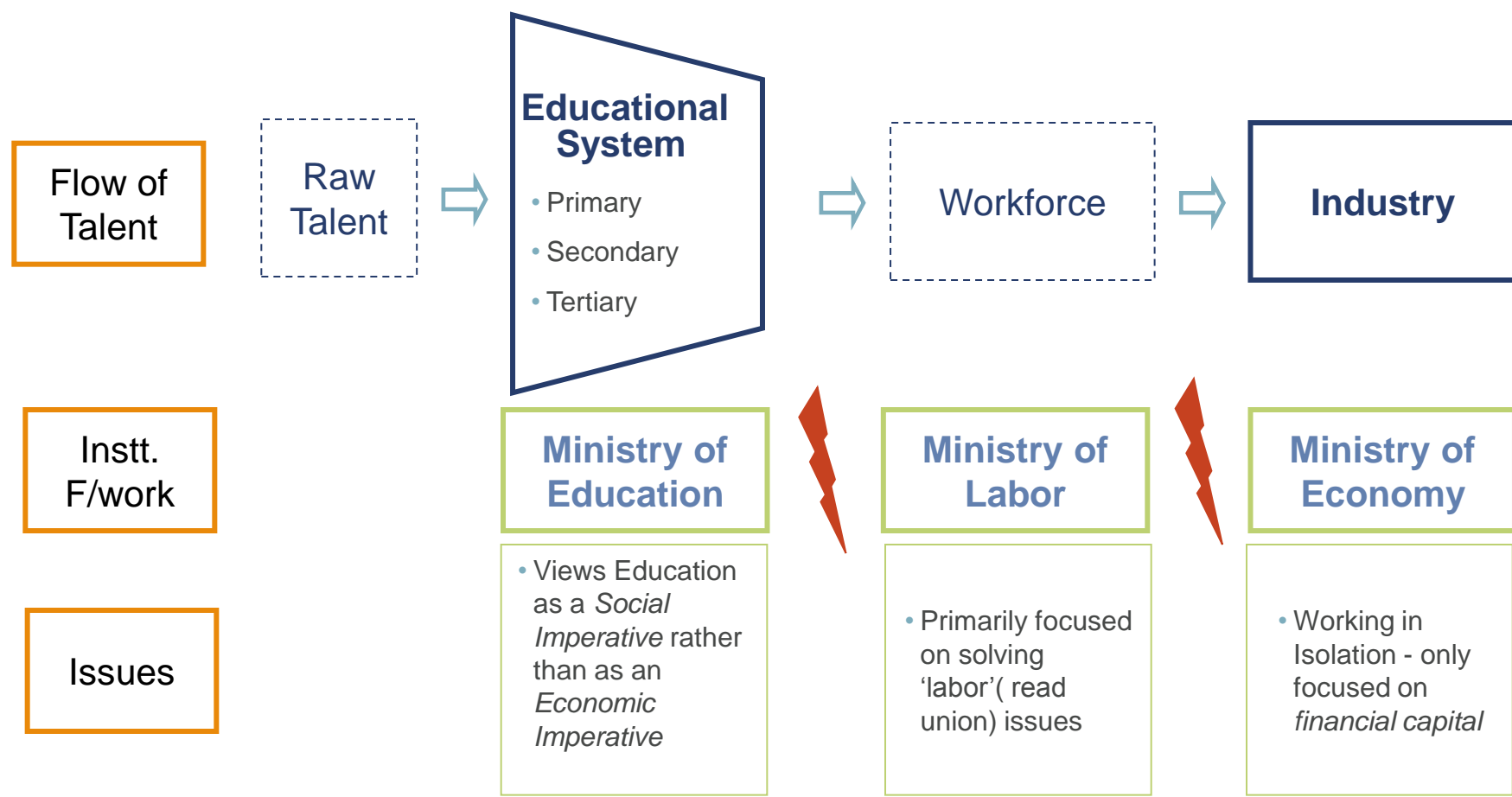
**AI: 330.0**

# Country Case Study – Singapore

- Nature of industry in Singapore has changed over time:
  - Started with Trading/ Shipping
  - Progressed to Hi-tech manufacturing
  - Next, concentrated on becoming a services destination
- Now focused on becoming an innovation/ creativity hub
- Given its small size/limited population, the country has decided to mindfully chart its growth through human capital based planning



# Human Capital Value Chain



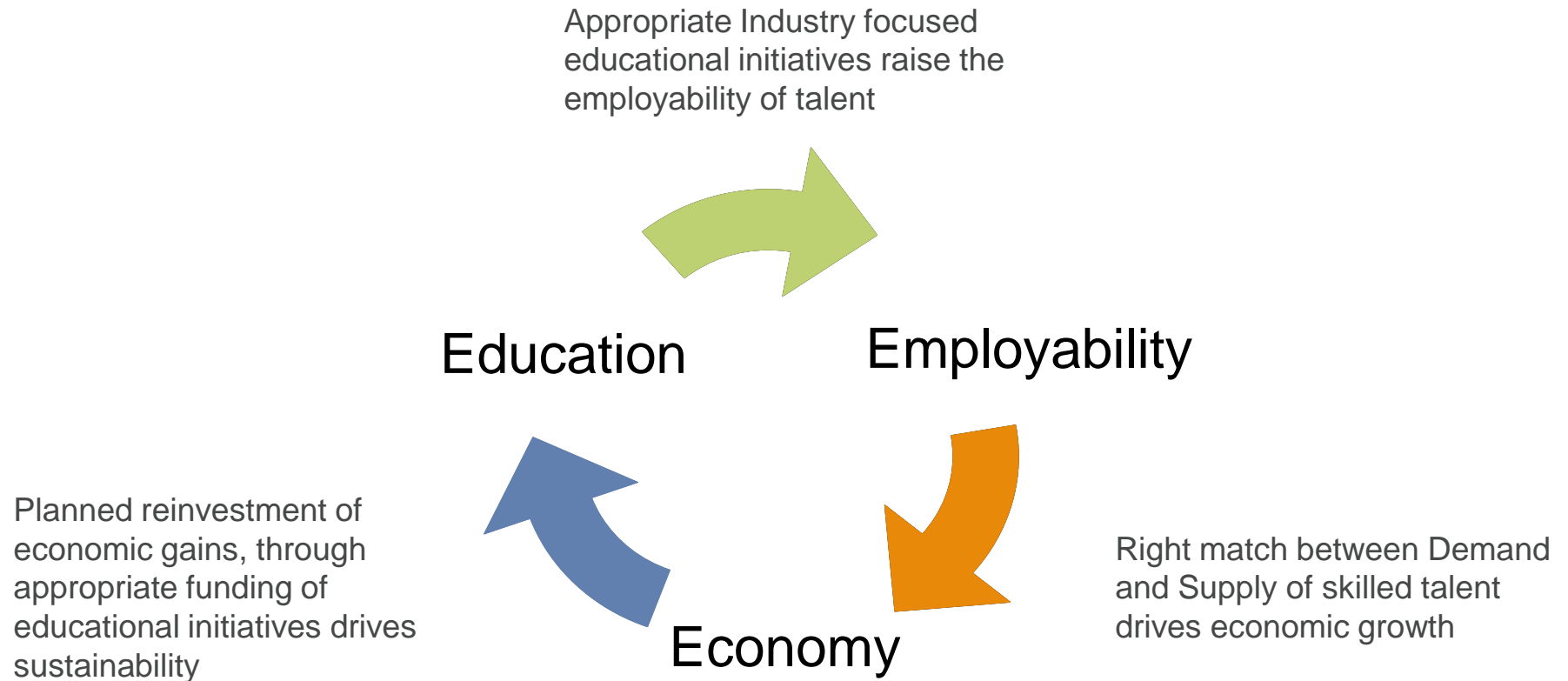
The Institutional Framework has broken down. Ministries work at cross purposes.

# Solution: Developing the Triple E Linkage

- Collaborative working between different arms of the Government:
  - Ministry of Education: Undertake initiatives for Vocational Education, undertake changes in curriculum and syllabi based on industry inputs and need
  - Ministry of Labor: Reinvent itself to look at handling employee issues holistically and act as channel of clearance between supply and demand of skilled talent
  - Ministry of Economy: Look at human capital aspect of country level planning, partner with Ministry of Education, have a sinking fund for educational interventions
- Create a 'nodal body' to become the process owner for maintaining the Triple E linkage



# Creating the Virtuous Cycle through the Triple E linkage



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# Thank you

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