



## INFOCUS

# Education

ADB helps developing countries build the sound human resource base essential for inclusive social and economic development

- Challenge:** An educated and trained workforce is vital to social and economic development. The economic crisis reconfirms the challenges for improving the Asia and Pacific region’s human resources. It highlights the vulnerability of developing country growth strategies reliant on exports and the importance of strengthening internal sources of economic growth. A shift from export-oriented to consumption-driven growth is in order. But to meet labor market demands arising from rebalanced economic growth—and a need for inclusive development—education systems will need to become more flexible, cost-efficient, equitable, and of higher quality.
- Strategy:** To alleviate the social and economic impacts of the current crisis, ADB will help countries finance education in support of recovery and increase targeted support to children of the poor and other vulnerable groups to help them continue their education and gain relevant skills. ADB will assist with comprehensive longer-term reforms necessary for redirecting education and skills development systems to support the rebalancing of growth.
- Response:** Equitable access and quality at all levels of education are important for inclusive social and economic development in the region. While ADB continues to support basic and secondary education, ADB’s strategies increasingly support reforms also in postsecondary education, i.e., technical and vocational education and training, skills development, and higher education, in line with the social and economic needs of developing countries.

*“A strategic and balanced development approach to education and skills development, corresponding with the needs of inclusive social and economic development in individual countries, will accelerate societal well-being and economic growth.”*

—Jouko Sarvi, Practice Leader for Education

**ADB’s Strategy 2020**  
meeting the needs of Asia and the Pacific

**Strategic Direction**

- Inclusive Economic Growth
- Environmentally Sustainable Growth
- Regional Integration

**Drivers of Change**

- Private Sector
- Good Governance
- Gender Equity
- Knowledge Solutions
- Partnerships

Read more at [www.adb.org/Strategy2020/](http://www.adb.org/Strategy2020/)

### Studying the needs of the region

ADB’s education sector policy pays particular attention to increasing equity, and improving access and quality in education. These aims are fundamental for enabling inclusive social and economic development.

Our recent study, *Education and Skills—Strategies for Accelerated Development in Asia and the Pacific*,<sup>1</sup> provides a systematic analysis of education and human capital development challenges in the Asia and Pacific region.

The study presents a set of actionable recommendations for ADB operations in the education sector and helps ensure our operations

continue to respond effectively to human resources development needs of individual countries.

### Optimizing investments in education for the future

Developing countries in the region recognize investment in education and skills development brings significant long-term social and economic returns and promotes rapid recovery during economic recessions.

To achieve comprehensive education sector development, developing member countries need to look beyond basic and secondary education and

<sup>1</sup> ADB. 2008. *Education and Skills—Strategies for Accelerated Development in Asia and the Pacific*. Manila.

invest increasingly in postsecondary education, i.e., technical and vocational education and training, skills development, and higher education.

Resource requirements and development needs in the region are expected to increase significantly over the next decade because of expansion and development pressure in postsecondary education arising from labor market needs and high enrollments in basic and secondary education.

Substantial investments will, therefore, be needed to support improvement of quality and quantitative expansion of education systems in the region. Moreover, as countries move up the development ladder, they will increasingly need to balance priorities among education subsectors to meet growing and increasingly complex education and skill requirements.

Our developing member countries seek our assistance in optimizing the investment in education. And we continue to carefully align our education assistance in individual countries with their needs in human resource development to support social and economic development.

### Development in the region has transformed the demand for human resources

Skills shortages have increased in the region because of the widening mismatch between education graduates and labor market needs. Shortages persist despite slowdowns in economic activity and layoffs caused by the global economic crisis affecting the region.

The shortages constrain expansion in key sectors and the efforts of governments to accelerate economic recovery. And they will continue after the economic crisis, particularly in high-growth economies.

Economic interdependency among countries and the importance of technology have increased the need for higher-level technical, managerial, and administrative skills. To adequately meet labor-market demands and support inclusive development, educational systems in the region's developing countries will need to be of higher quality, and become more flexible, cost-efficient, and equitable.

Countries will need to shift from growth strategies that are exceedingly reliant on exports to strategies that focus on internal sources of growth. Rebalancing growth will mean moving from export-oriented growth to consumption-driven growth, and will

require a workforce that has adequate levels of education, and appropriate and flexible skills. It will also require policies and mechanisms that support labor market mobility and flexibility.

### Education plays a key role in supporting growth in the region

In the education sector, rebalancing growth has implications at all levels. In basic and secondary education, it entails increasing access and improving quality and equity, to provide a stronger and inclusive foundation for higher levels of education.

In technical and vocational education and training and skills development, it entails strengthening training in support of a shift in emphasis from traditional export sectors to consumption-driven growth.

In higher education rebalancing growth will require a stronger emphasis on sustainable expansion strategies and qualitative diversification, including science and technology education, and greater innovation.

### Education in Strategy 2020

The education sector is one of the core operation areas in ADB's long-term strategic framework 2008–2020 (Strategy 2020). This reflects the potential of the sector in supporting inclusive social and economic development and the strong track record of performance of ADB's education projects in addressing the needs of developing member countries.

Within our Strategy 2020 framework, we will help countries develop and implement

- expanded, high-quality, and more accessible basic and secondary education that links with member country national Education for All plans and Millennium Development Goals;
- relevant technical and vocational education and training and skills development, and sustainable expansion and appropriate diversification in higher education;
- innovation and public–private partnerships in education and its delivery; and
- appropriate policies and comprehensive education sector-wide reforms to help improve flexibility, cost-efficiency, equity, and quality at all education levels to adequately meet the labor market needs and support inclusive, sustainable social and economic development.

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