

Executive Summary

The Youth Unemployment and Job Futures Project

By Diana Cheong



This is the Final Report of the findings and recommendations from a two-year study conducted between 2018-2020 by the Centre for Strategic and Policy Studies (CSPS) and entitled: The Youth Unemployment and Job Futures Project. Despite a time lag, this publication should still be very valuable and relevant, as the study focusses upon the longer-term scenario of unemployment and job futures.

At the time of writing this final report, the unemployment rate in Brunei was a high 9.0%¹ - the highest in ASEAN. Unemployment, along with labour underutilisation, were therefore key policy problems requiring urgent attention. The number of unemployed young people was not only high compared to other countries, but there was increasing concern that unemployment was affecting both out of school youths and university graduates at all levels and that this was a pervasive social problem that may become long term if appropriate policy measures were not taken urgently.

A number of reasons were identified in studies conducted by CSPS. Educational underperformance, lack of vocational technical education (VTE), mismatch of education and employment, negative mindsets and attitudes amongst jobseekers, employees and employers, unattractive private sector jobs, labour market disparities in status and remuneration, lack of employment amenities and so on were the main reasons to explain why there was such a serious unemployment/underemployment problem prior to 2021 amongst our local youth when a large proportion (nearly 30%) of our workforce consisted of foreign labour at all levels (Cheong & Lawrey 2009).²

Over recent years, a number of policies and programmes have been introduced to improve manpower planning and to tackle the issue of unemployment along the lines that have been outlined from the CSPS studies. As of 2021, the unemployment rate is actually significantly lower at 4.9%³. This shows the various efforts and initiatives that the Government has undertaken to alleviate unemployment and to achieve inclusive development.

However, the challenge is that these are policies of today and only resolve the issues of today. While we may understand the current economic scenario well, the future is much

¹ Labour Force Survey 2017, Department of Economic Planning and Statistics (JPES), Ministry of Finance and Economy

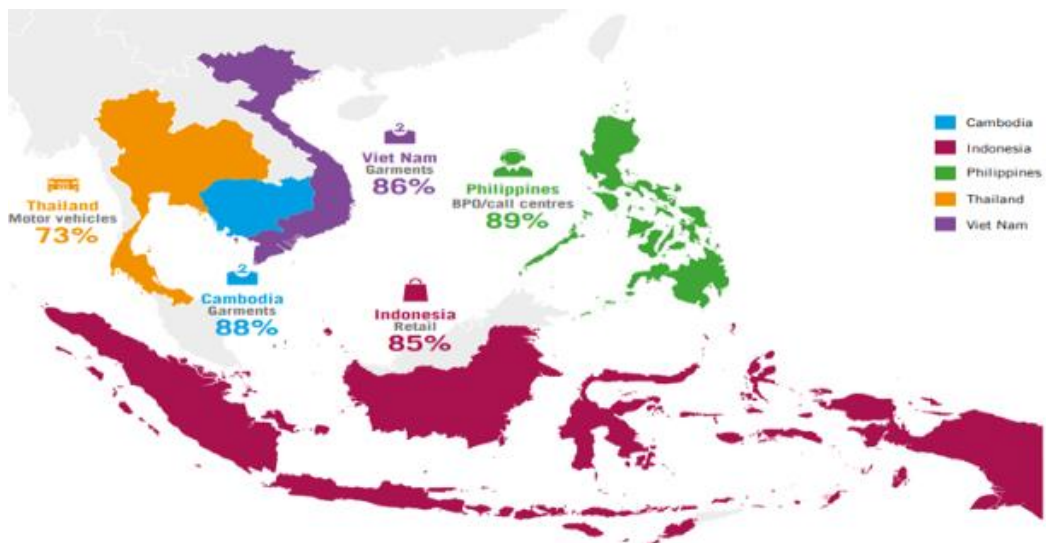
² See Cheong & Lawrey, 2009. Ibid

³ Labour Force Survey 2021, Department of Economic Planning and Statistics (JPES), Ministry of Finance and Economy

less certain, particularly with the advent of the 4th Industrial Revolution (4IR) and the fast-paced adoption of new technologies. Globally and inevitably, locally, the nature and types of jobs have and will change dramatically. Automation (including Internet-Of-Things- IOT and AI) will cause a loss of 40% of current jobs performed by humans within the next 10 to 15 years (OECD, 2018). As shown in diagram (Figure 3) below, a very high percentage of workers will be laid off from their existing occupations in key sectors within ASEAN-5.

How will Brunei be affected by such changes and given our goal of transformation towards the 4IR and beyond? Manpower planning need to consider and adjust towards a number of unknown challenges (Cheong, 2019⁴). Will there be a bifurcation of labour? a jobless future? new types of jobs? new job organization- portfolio careers, gig economy, new skills and knowledge and attitudes? For now, the future and at least, the longer-term trends on how our economy, employment and educational structures will be impacted in our quest towards 4IR is still a big uncertainty for Brunei.

Figure 3: Percentage of wage workers at high risk of automation in key sectors within ASEAN-5



⁴ Cheong,D. (2019). The Fourth Industrial Revolution, Job Futures and Policy Implications for Reducing Youth Unemployment in Brunei Darussalam. CSPA Strategy and Policy Journal, Jul 2019, Vol. 7, pp. 01-19.

What is needed urgently now is a macro level and holistic study into the problem whereby all policy questions, issues and possible solutions can be tackled and addressed. Furthermore, in view of an uncertain future, an anticipatory and longer-term approach to ensure sustainability, involving strategic foresight must be incorporated.

Adopting such a holistic approach, the main research objectives to be addressed by this project- the “Youth Unemployment and Job Futures Project” are therefore as follows:

1. Analyse labour statistics to provide a deeper understanding of the policy issue;
2. Determine the causes of unemployment at the micro and macro level;
3. Evaluate the impact of the current policy measures in order to determine gaps and improvement areas, in line with the outcome of the first 3 research areas and the Wawasan goals;
4. Use the outcome of the cluster development study to provide a picture of the future economy of Brunei;
5. Conduct foresight analysis to identify future economic and or job futures scenarios, in terms of employment and working patterns as well as types of jobs and related manpower policy issues;
6. Identify a preferred future economic and or job futures scenario, and provide long-term manpower projections and related policies required to achieve the preferred future economic scenario in line with Wawasan 2035 objectives.

In terms of data collection, the Youth Unemployment and Job Futures project made use of the following methodology:

a) Review and analysis of Secondary data via scientific literature and official statistics.: Secondary data and information such as official statistics, academic books, reports and journals are most invaluable to supplement primary data. This study made extensive use of statistics provided by the Department of Economic Planning and Statistics including the LFS (conducted in 1986, 1995, 2008, 2014, and most recently in 2017), the population and housing censuses.

b) A National Survey of Youth and Employment Issues: In order to understand the demographic and sociological factors affecting youth unemployment in Brunei, a large extent of which requires qualitative data, a large nationwide face to face survey consisting

of 1,486 youth respondents between ages of 15- to 35-year-old (with 99% Confidence Level and 3.4% Margin of Error) was conducted in December 2018. The sample was stratified across 4 districts and covered both unemployed and employed youth. The survey was carried out via several forums organised by CSPS.

For expediency and cost effectiveness, the survey was conducted on a face-to-face basis with detailed guidance from a questionnaire administrator (interviewer guided) via mass group forums. Another important factor to consider was that there is no sampling frame of our target population for us to conduct random selection. As this is non-random sampling, the sample does not fully represent the population. To address this constraint, sampling weights were used in the analysis to reflect the true population and we ensured important variables; employment status, urban rural composition, gender and age categories were used to stratify the sample. Overall, in view of the homogeneity of Bruneian culture, we feel that the sample satisfactorily reflects our youth population and our main findings from our sample significantly addresses the data required for policy making and should not deviate from the characteristics of our unit of analysis.

Prior to conducting the survey, we reached out to the youth by making several radio announcements on a daily basis as well as putting up advertisements via CSPS social media such as Facebook, Instagram and through WhatsApp. Incentives via lucky draws were offered to the youth in order to encourage them to attend the forums. At the end, a total of 32 forums were conducted throughout the country over a duration of 4 weeks.

A specially designed questionnaire was formulated for the survey drawing a number of questions from benchmark questionnaires used internationally and also for national relevance, in particular, the LFS, CSPS Unemployment Surveys and the Brunei Youth Development Index 2008. A copy of the questionnaire is attached in Appendix 1: Questionnaire of Youth Unemployment

The questionnaire consists of the following sections:

- Section A: Demographics
- Section B: Education Background
- Section C: Youth Development Index

- Section D: Employment and Opportunity: Job Preferences and Training Needs
- Section E: Employed: Work Experiences and Opinions

Primary data analysis via multiple CSPS forums and stakeholder engagement of around 150 persons: Using strategic foresight methodologies with a participatory action learning approach, CSPS invited key stakeholders to several brainstorming forums on the future of jobs. The objectives of these forums were to conduct horizon scanning for driving forces and scenario development and to identify the preferred jobs future scenario for Brunei 2040. Key stakeholders included Directors and Senior Officers from Prime Minister's Office, Ministry of Education, Ministry of Finance and Economy, Ministry of Energy, Ministry of Primary Resources and Tourism, Ministry of Home affairs, Ministry of Transport and Info communications, Ministry of Culture, Youth and Sports, Ministry of Development, Ministry of Health, industry, business and community leaders, youths, career counsellors, teachers, and thought leaders from both the private and public sectors attended the forums

This Final Report consists of a collection of papers written to summarize findings and recommendations of the studies conducted for the research objectives outlined above.

Chapter 1: Measuring Unemployment and Labour Underutilisation in Brunei Darussalam is written by Giuseppe Rizzo and it addresses research objective 1 which is to analyse labour statistics to provide a deeper understanding of the policy issue. In reviewing existing employment statistics, key types and causes of unemployment are identified with particular attention to the youth population. The analysis of unemployment trends over the past 40 years shows that structural unemployment is not a new phenomenon in Brunei, and it historically accounts for most of the total unemployment rate. Recently, labour underutilization measures have increased, mostly due to an increase in time-related underemployment, which is now even higher than the unemployment rate.

Chapter 2: Demographic and Sociological Correlations of Youth Unemployment in Brunei Darussalam: Findings from CSPS 2019 National Survey is written by Liew Chee Hau, Redhuan Rajak and Diana Cheong and it is to address research objective 2 which is to determine the demographic and sociological correlations of unemployment at the micro

and macro level using data by conducting a National Survey on Youth and Unemployment issues. Understanding which variables are significantly correlated with the propensity of being unemployed allows us to identify which sub groups of the population are most at-risk of joblessness and in need of policy attention. In addition to the traditional form of unemployment, the paper also takes into account underemployment and the likelihood of being an unemployed trainee. The main factors correlating the propensity of being unemployed are age, district of residence, marital status, household income, education attainment, subject area studied for diploma and above, and level of development as measured by a Youth Development Index (YDI).

Chapter 3: Evaluation of Current Policy Measures in Addressing Youth Unemployment is written by Azrinah Rahman and it is to address research objective 3 which is to evaluate the ability of current policy measures in achieving its KPI in order to determine gaps and improvement areas, in line with Wawasan goals. In this paper, 8 measures were evaluated at varying degree based on the secondary data obtained. Most measures have achieved some success in their goal but due to the unavailability of crucial data and many of the measures were only implemented in the last few years, it is too soon to provide policymakers with evidence-based recommendations on what works to effectively support youth in the labour. The paper highlighted the need to an established a labour market information (LMI) collection system to ensure proper and continuous evaluations can be carried out to better assess the policies and programs in the future

Chapter 4: Economic Cluster Development and Employment Creation in Brunei Darussalam is written by Giuseppe Rizzo and it is to address research objective 4 which is to review the findings of the cluster development study and provide a picture of the future economy of Brunei. The paper summaries the findings of the analysis, identifying cluster-specific gaps with specific attention on the implications on human capital development policies. The prioritization of clusters is also reviewed to facilitate the development of a labour market projection model based on targeted industries.

Chapter 5: Alternative Job Futures for Brunei Darussalam 2040 is written by Diana Cheong, Pg Redhuan Rajak and Liew Chee Hau and it is a scenario development exercise to identify economic and job futures scenarios, in terms of employment and working patterns as well as future types of jobs and related manpower policy issues. Mindset and

mentality change at all levels, policy adaptability and commitment, 4IR/future ready skills and education, economic competitiveness and extreme 4IR acceleration are the critical issues which was identified and treated as key driving forces in shaping Brunei's job futures 2040. Three research questions as follows were then addressed in detail:

- a) What are the four most probable future economic scenarios for Brunei 2040?
- b) What types of jobs will there be in each of the four future economic scenarios for Brunei 2040?
- c) What are the main manpower planning implications of the probable future economic scenarios for Brunei 2040?

The chapter then summarizes the manpower implications of the preferred economic and job futures scenario for Brunei 2040, which is the scenario built upon rapid 4IR transformation and economic competitiveness.

Chapter 6: Brunei Darussalam Labour Market Projections 2020-2050: Towards Achieving a High Quality of Life is written by Giuseppe Rizzo and Koh Wee Chian and it is to address research objective 6 which is to provide long-term manpower projections required to achieve the preferred future economic scenario of a targeted industrial policy approach. A quantitative model is used to make long-term skills and qualification projections and analyse potential imbalances between supply and demand based on different scenarios of the future. Findings show that growth in the number of jobs is mostly concentrated among high- and medium-skilled occupations, especially in-service sectors such as business services, ICT, and tourism. Achieving Wawasan goals will require sustained improvements in educational achievements (to reduce mismatch and structural unemployment, and increase local participation in the private sector) and productivity (to increase per capita income and reduce dependency on foreign workforce).

Chapter 7: Chapter 7: Brunei Future of Jobs 2040 is written by the Lee Kuan Yew (LKY), School of Public Policy and it creates a set of four scenarios for Brunei, based around the two critical uncertainties of the extent to which 4IR technologies act as a substitute for or a complement to human labour; and the extent to which ASEAN member countries are able to pull together in the face of global challenges.

Policy recommendations for this chapter are, grouped into five broad categories:

- 1) Improve technology infrastructure, both hardware and software
- 2) Transform incumbent industries and incubate new industries
- 3) Rethink education and skills development
- 4) Integrate with the rest of the region for physically and digitally in terms of market size
- 5) Review social policy in terms of changing labour market and technological development