Making South-East Asia skills and TVET systems future ready
The role of skills anticipation systems in matching future skills needs in the labour market

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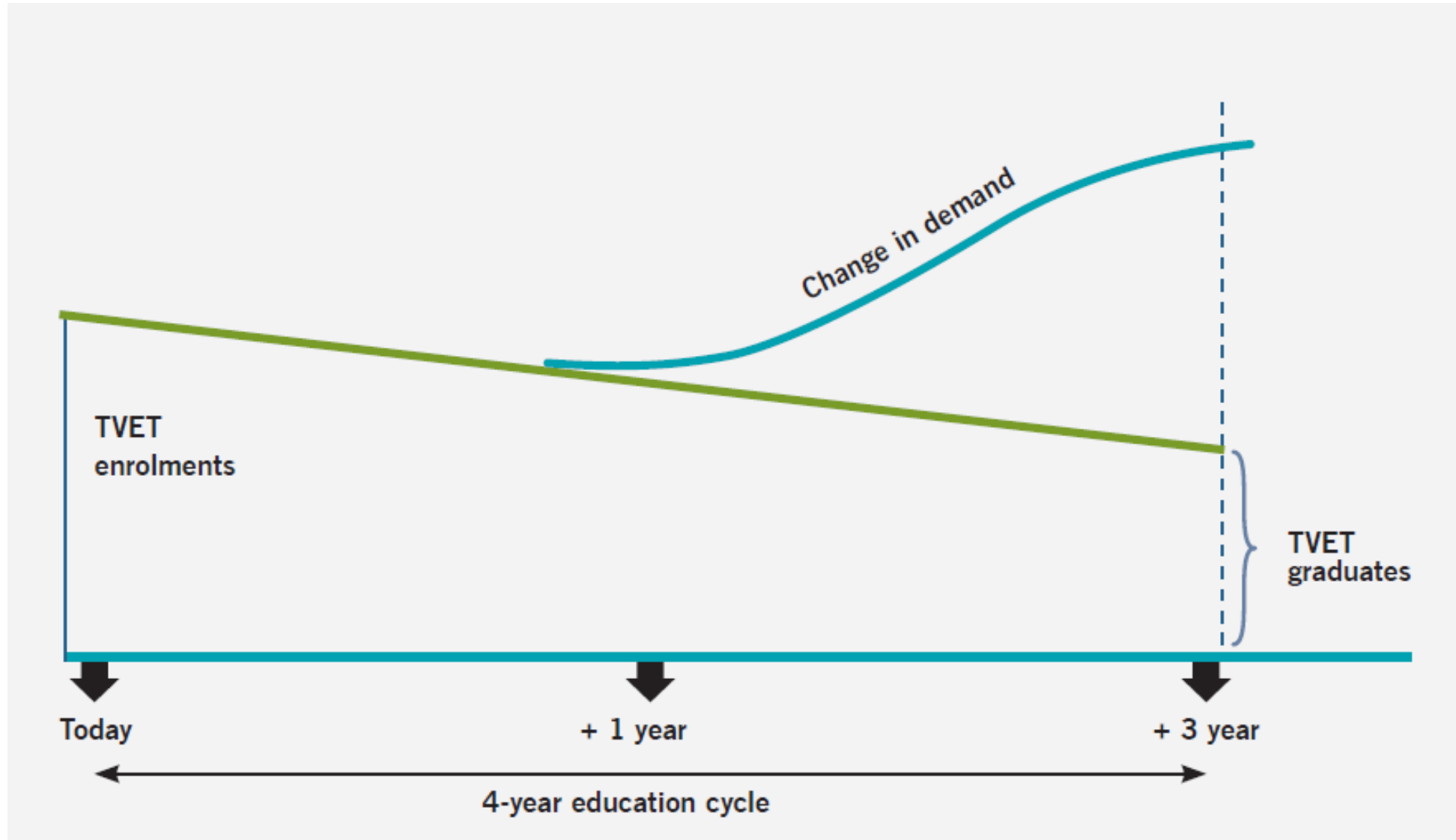
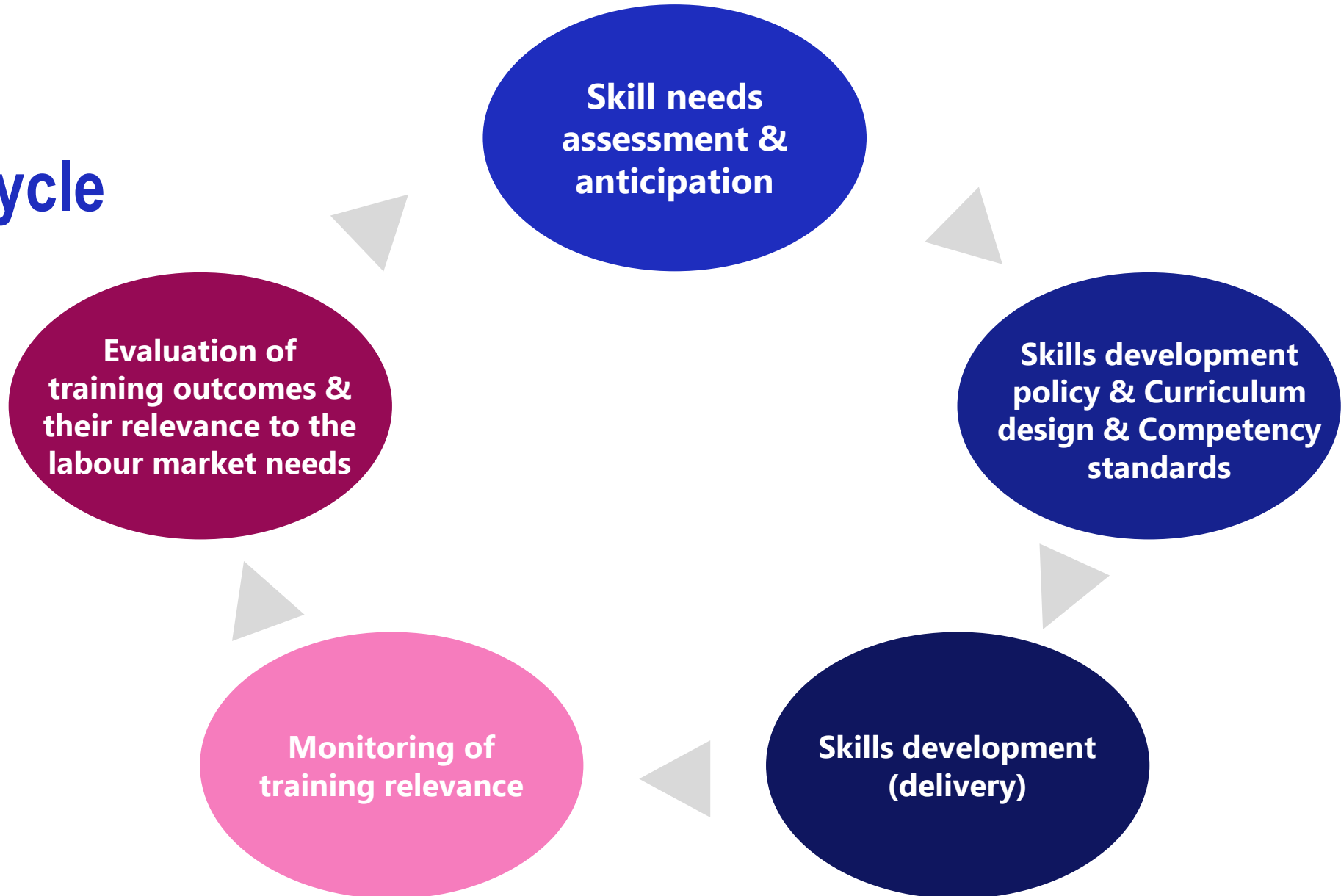# Why we need skills anticipation?

What is skills anticipation

➢ Interchangeably used terms: Early identification of skills needs, Skills needs assessment, and Forecasting
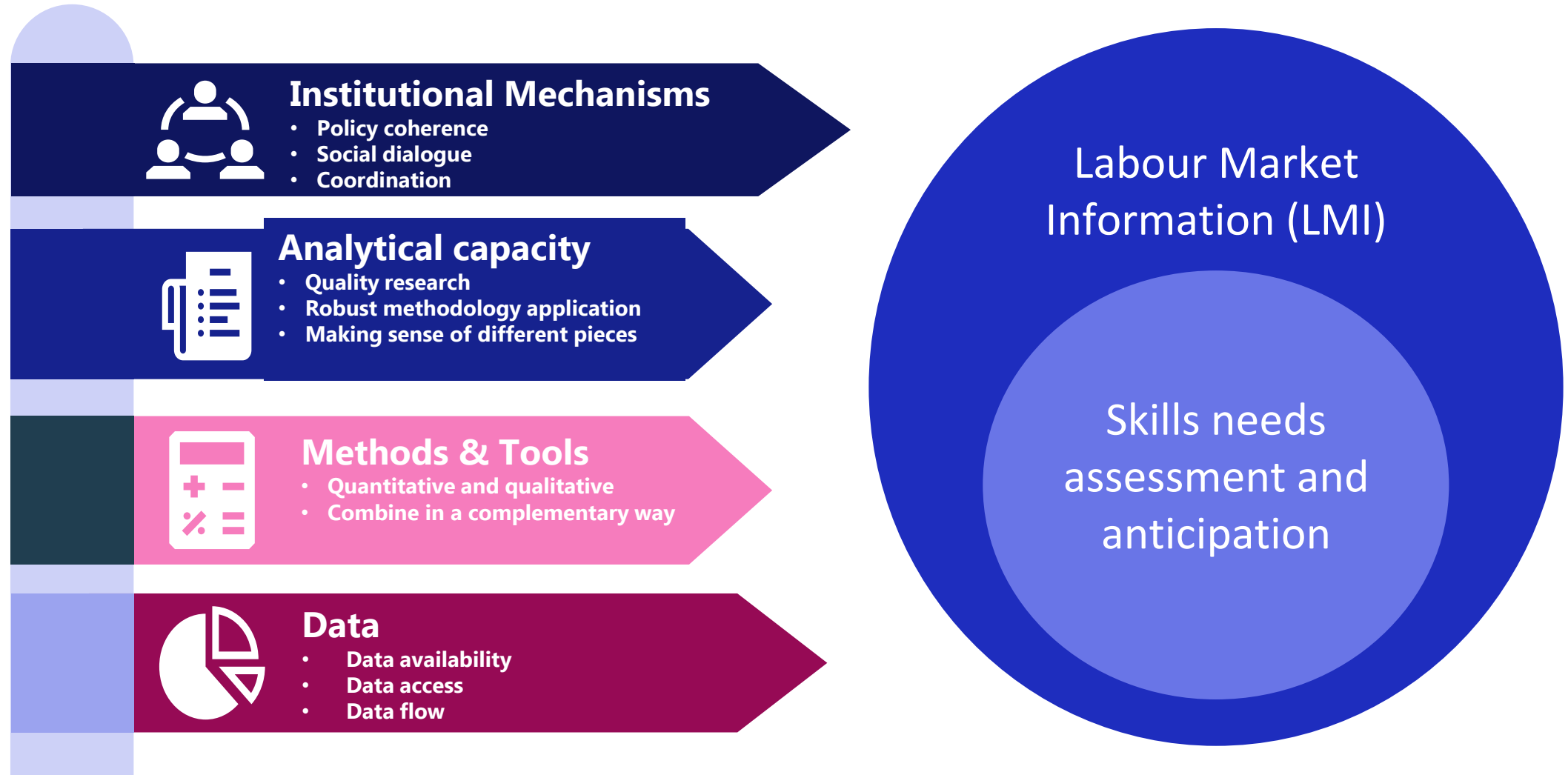
➢ Broadly defined as

> Skills needs anticipation broadly refers to activities to assess future skills needs in the labour market in a **strategic** way, using **consistent** and **systematic** methods, and based on **social dialogue**.

➢ Aim is
- ✓ Not to provide exact numbers of workers,
- ✓ Rather, aims to provide information to all labour market actors on potential future skills needs and imbalances, so that they can make informed decisions/develop measures/take actions
- ✓ Focused on proving guidance, preparedness and flexibility and supporting more effective operation

Policy cycle

- Skill needs assessment & anticipation
- Skills development policy & Curriculum design & Competency standards
- Skills development (delivery)
- Monitoring of training relevance
- Evaluation of training outcomes & their relevance to the labour market needs

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Essential components of skills needs anticipation <u>system</u>

Institutional Mechanisms
- Policy coherence
- Social dialogue
- Coordination

Analytical capacity
- Quality research
- Robust methodology application
- Making sense of different pieces

Methods & Tools
- Quantitative and qualitative
- Combine in a complementary way

Data
- Data availability
- Data access
- Data flow

Labour Market Information (LMI)

Skills needs assessment and anticipation

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What does a patchwork of different elements make a system?

Could be centralised or decentralised

Combine different elements and perspectives

Always shared by a number of institutions

Fit into a broader system of governance

PES

Subnational

Sectoral

Government

Occupation

Micro

Macro

Short-term

Training Provider

Sector Skills Councils

Global

Individuals

Company

Local Administration

Researchers

Mid-/long-term

Holistic and coordinated

Sustainable

Based on social dialogue

Is there an ideal approach? Pros and cons

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Alternative approaches	Advantages	Disadvantages
Formal, national level, quantitative, model-based projections	Comprehensive (typically all sectors); consistent; transparent; quantitative.	Data-hungry; costly; not everything can be quantified. May give a false impression of precision/certainty.
Skills surveys of employers	Direct user/customer involvement; easy to set-up and carry out.	May be very subjective; inconsistent; costly; can too easily focus on the margins rather than skill gaps within the current workforce; limited reliability of information on future
Tracer studies / graduate surveys	Ability to provide useful information for improving planning and programming relatively low cost, easy execution.	Demand for detailed information about sample groups, confined to workers' early market experience and findings may be biased.

Is there an ideal approach? Pros and cons

Alternative approaches	Advantages	Disadvantages
Scenarios and foresights	Strong on sectoral or other specifics; can be used when limited data available. Helps us to avoid unpleasant surprises, make better decisions today inspire, engage and enable shared action.	Risk of inconsistency across sectors, areas, etc.; can be constructed as the "official future"; people may not be able to suspend their disbelief. May suffer from cultural/cognitive myopia; cannot be validated.
Delphi-style methods	Holistic; applicable in situation with limited data availability. A possibility to avoid large group gatherings - virtual participation; handles single or multiple questions; brings together large number of experts and different opinions.	Time-consuming process; labour intensive; participant expertise may influence results.
Focus groups /round tables	Useful to improve and develop ideas; strong tools to validate preliminary results/ideas/tools/strategies.	Importance of moderator is often underestimated; opinions can be biased (group thinking effect); participants may be reluctant to share some opinions in a group.

National institutional arrangements Conducive to anticipating and meeting skill demand

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Councils/ Commissions (Employment and Skills, HRD, TVET) – tripartite, multistakeholder – and their secretariats (Example: Job Creation Commission, Ethiopia)

Inter-ministerial committees, working groups, coordination bodies etc. (Example: Committees linked to a specific policy)
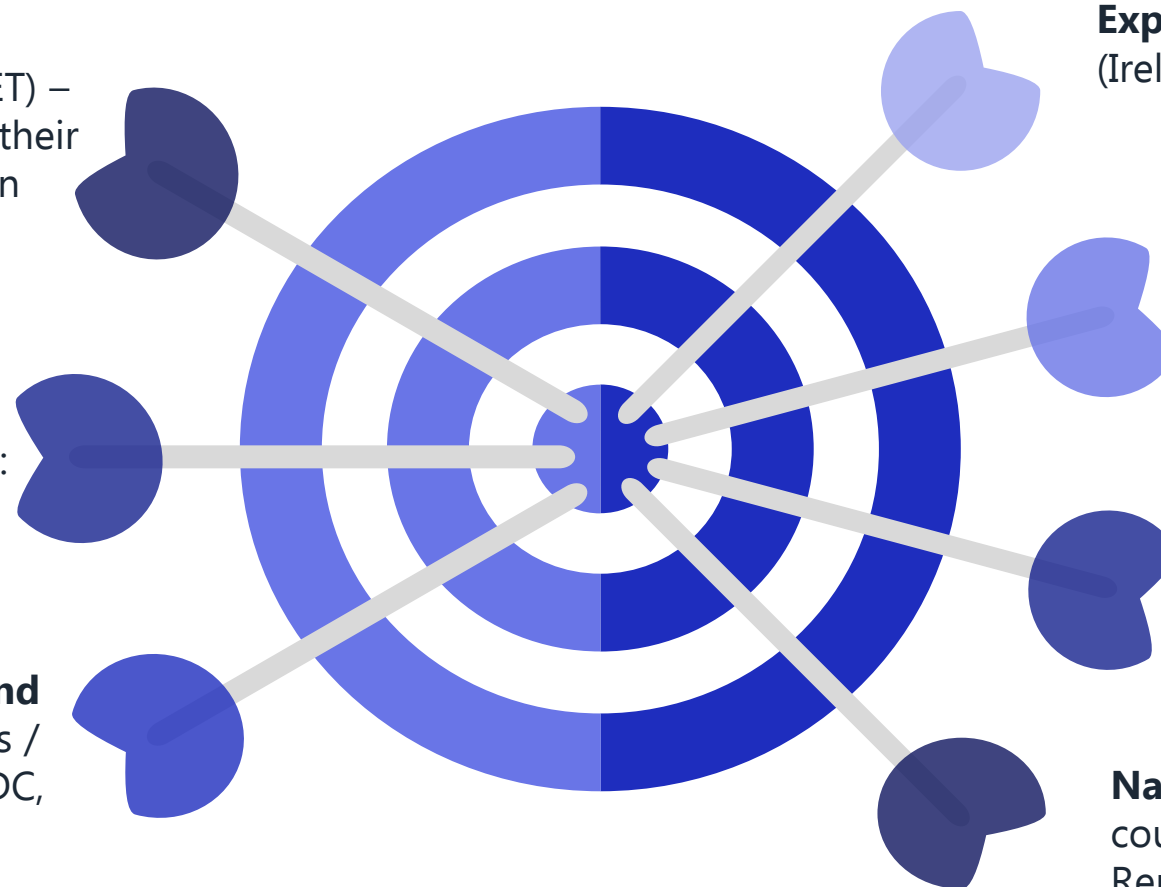
National employment and training / HRD authorities / boards etc. (Example: NSDC, India)

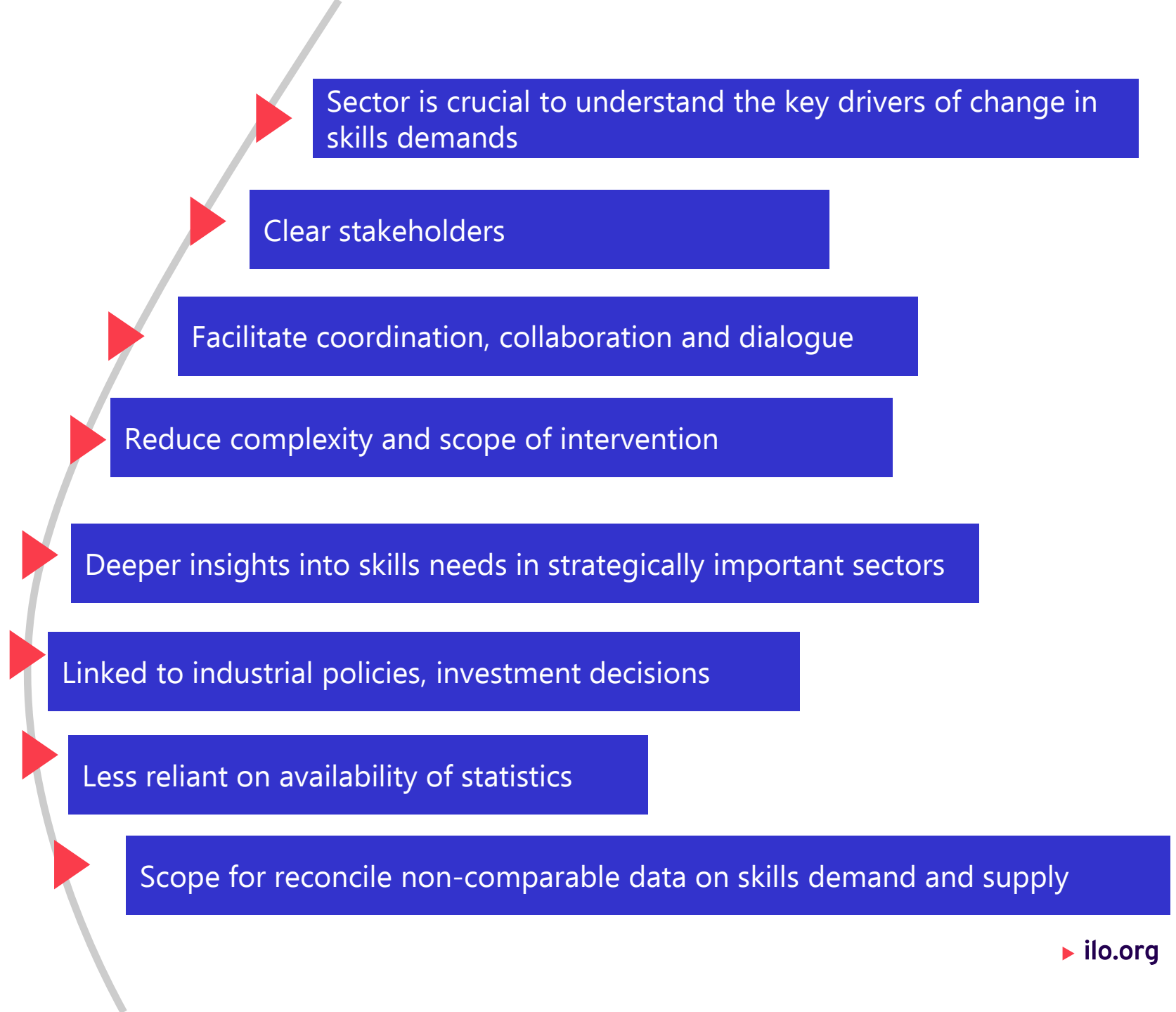**Expert groups** on future skill needs (Ireland)

Alliances of SSCs to support SSCs in cross-sectoral work (UK)

Networks (FreQuenz, Germany)

National observatories (LA countries, France, Czech Republic)

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Why sectoral approaches to skills?

Sector is crucial to understand the key drivers of change in skills demands

Clear stakeholders

Facilitate coordination, collaboration and dialogue

Reduce complexity and scope of intervention

Deeper insights into skills needs in strategically important sectors

Linked to industrial policies, investment decisions

Less reliant on availability of statistics

Scope for reconcile non-comparable data on skills demand and supply

Some examples of Sectoral bodies

Sector Skills Councils

UK, India, Ghana

Knowledge Centres or Centres of Expertise

Netherlands

Industry Skills & Training Councils

Singapore

Sector Education and Training Authorities

South Africa

Industry Skills Councils
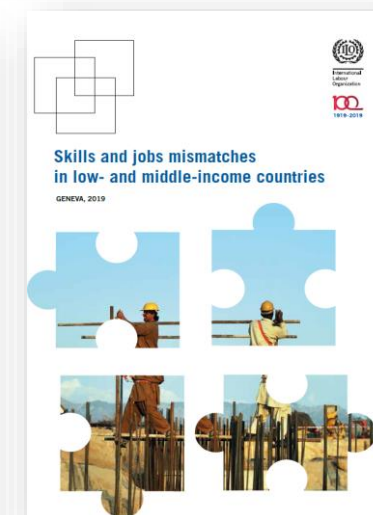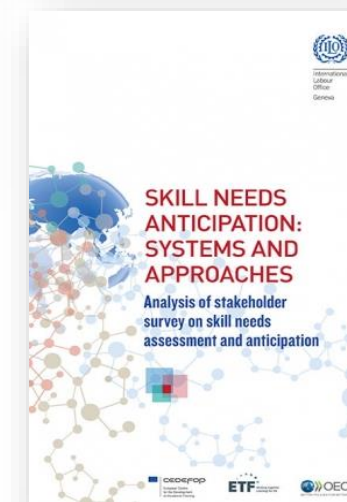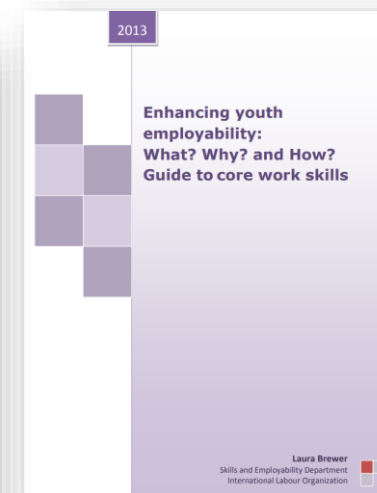
Australia, Bangladesh

Industry Training Organizations

New Zealand

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ILO skills anticipation and matching tools: *Generic tools and knowledge products*

Thank you!