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THE IM(PERFECT) MATCH – ILO INTERNATIONAL CONFERENCE

REGIONAL VIEW: ARAB STATES AND CENTRAL ASIA

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Geneva, 11/05/2017



DO SKILLS MATTER IN THE MENA REGION?



THE SKILLS MISMATCH STORY IN THE ARAB STATES

USUAL STORYLINE

Unfilled vacancies
in context of
unemployment

Education and
skills programmes
not aligned with
the market

Short term training
programme to
compensate for
the failures of
education system



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IN FACT



Lack of datasets to
analyze skills
mismatch

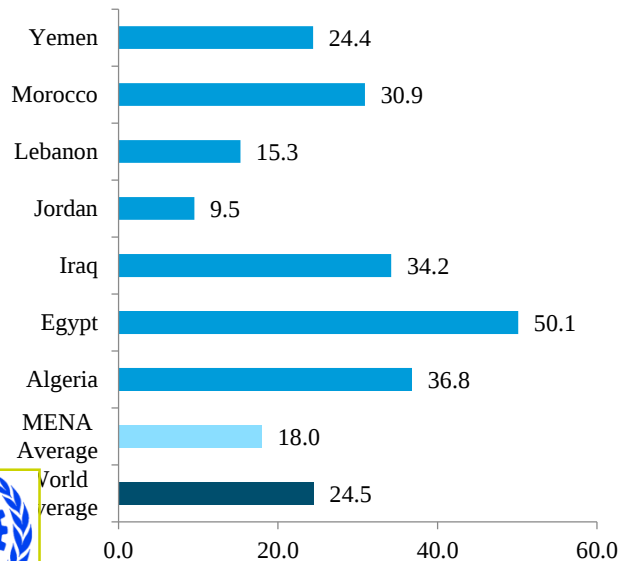


Sticky wages that do
not allow market to
reach equilibrium



Segmented markets:
migrants as a
cheaper option

SKILLS MISMATCH NOT ALWAYS A PRIORITY FOR EMPLOYERS



**Percentage of Firms
Identifying Inadequately
Educated Workforce
as a Major Constraint
in selected MENA Countries (%)**

**Based on: Enterprise Surveys
(<http://www.enterprisesurveys.org>), The World
Bank
Latest surveys available, 2015**



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ON THE EMPLOYERS' SIDE

Employers complain about skills mismatch (not always), and do not train

- 16% Arab Firms train new hires against 36% globally (VB Enterprise survey)

Skills are not adequately valued

- Wage differentials between most and least educated are the lowest in the world

Short term business vision

- Benefit from labour surplus in a context of low skilled labour intensive production;
- Longer term investment in business and skills difficult in the context of fragility

Lack of organization of employers

- Impact capacity to structure voice on skills required
- does not prevent the possible poaching by competitors

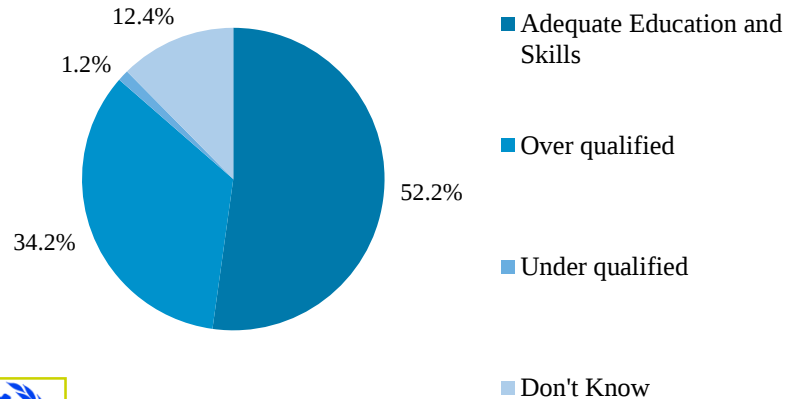


QUALIFICATION MISMATCH IS HIGH

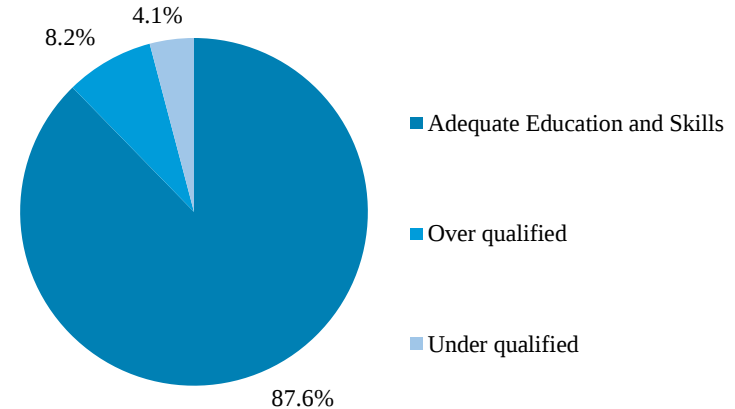
Country	Latest Year Available	Source	% Over-qualified	% Under-qualified	Total % qualification mismatch
Bahrain	2004	Labour Force Survey	13.15	40.03	53.18
Jordan	2013	Employment and Unemployment Survey	10.6	12.5	23.1
Morocco	2012	National Employment Survey	7.7	40.9	48.6
oPt	2012	School to Work Transition Survey	13.5	46.4	59.9
Qatar	2012	Labour Force Survey	14.1	38.09	52.19
Saudi Arabia	2013	Labour Force Survey	24.29	23.84	48.13
Yemen	2013-2014	Labour Force Survey	3.35	76.12	83

YOUNG WORKERS PERCEPTION OF SKILLS MISMATCH

Egypt



Jordan



FROM WORKERS / JOB SEEKERS PERSPECTIVE

“We take on education we did not choose, that do not match the market demand, and for jobs we will not get because of Wasta”.

WASTA – HIGHER ON LIST OF JOB SEEKERS ISSUES (NOT OF WORKERS)

WHAT SIGNALS? IN A CONTEXT OF LACK OF TRUSTED CERTIFICATES

INFORMATION ASYMMETRIES – AND CAREER GUIDANCE

LACK OF CHOICE > INADEQUATE BEHAVIOR / SOFT SKILLS



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gather
in life

UNICEF Youth Consultation in
Jordan, April 2017

JORDAN: REFUGEE CRISIS RESPONSE

SKILLS AS ONE ELEMENT ONLY OF JOB MISMATCH



EASTERN EUROPE AND CENTRAL ASIA



1.SKILL MISMATCH

ETF Position Paper (2012) adopted the following definition of *skill mismatch*:

“...a broad term that encompasses *various types of skill gaps and imbalances* such as over-education, under-education, *over-qualification, under-qualification*, over-skilling, *skill shortages and surpluses*, skills obsolescence and so forth. Hence skill mismatch can be *both qualitative and quantitative*, thus referring to both situations where a person does not meet the job requirements and where there is a shortage or surplus of persons with a specific skill. Skills mismatch can be identified at the various levels: of the *individual, the enterprise, the sector or the economy*. Several different types of skill mismatch can coincide”.



1.2 SKILL MISMATCH MEASUREMENT IN ETF WORK

Methodology	Measures what	Strengths/Weaknesses	Explored in...
Variance relative rates (ER, UR)	Dispersion skills. Magnitude.	Macro. Data avail.	MOLD, KAZ, KYR,
Coefficient of variation	Dispersion skills. Magnitude	Macro. Data avail.	
Proportion of unemployed vs employed	Direction mismatch: which educ levels in shortage / excess	Macro. Data avail	GEORGIA. MOLD, KAZ, KYR,
Mismatch by occupation	Ratio employed occup/educ: over-, under-qualification	Unemployed pop – not considered. Data avail	MOLD

EASTERN EUROPE

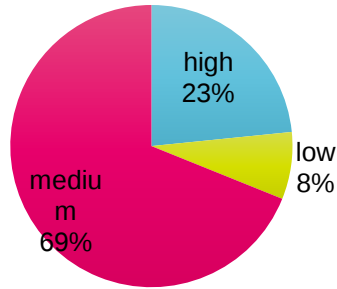
**ARMENIA
AZERBAIJAN
BELARUS
GEORGIA
MOLDOVA
UKRAINE**

SOME FIGURES INCLUDE RUSSIAN FEDERATION

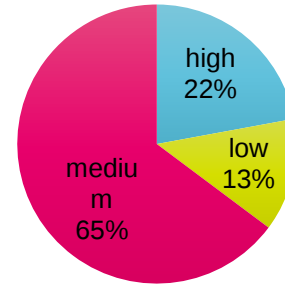


2. EDUCATIONAL ATTAINMENT POPULATION (2015)

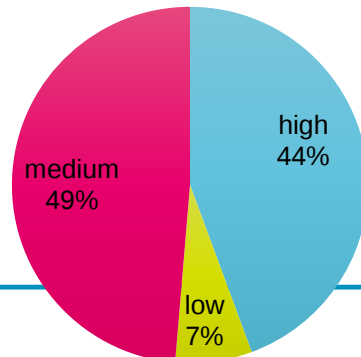
Armenia (15-75)



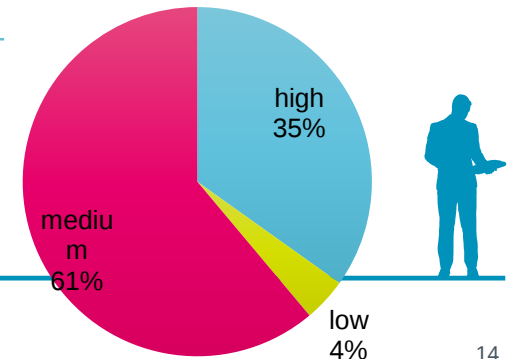
Azerbaijan (15-64)-2013



Ukraine (15-70)

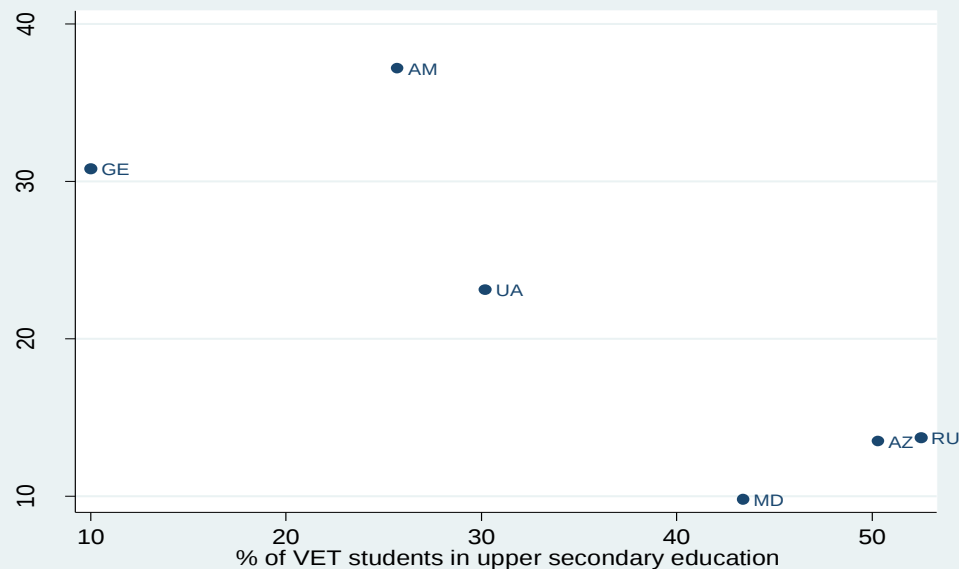
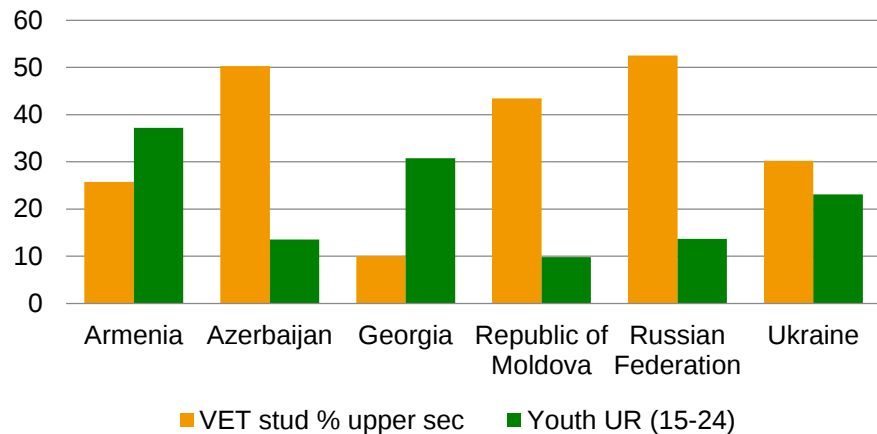


Georgia (25-64)



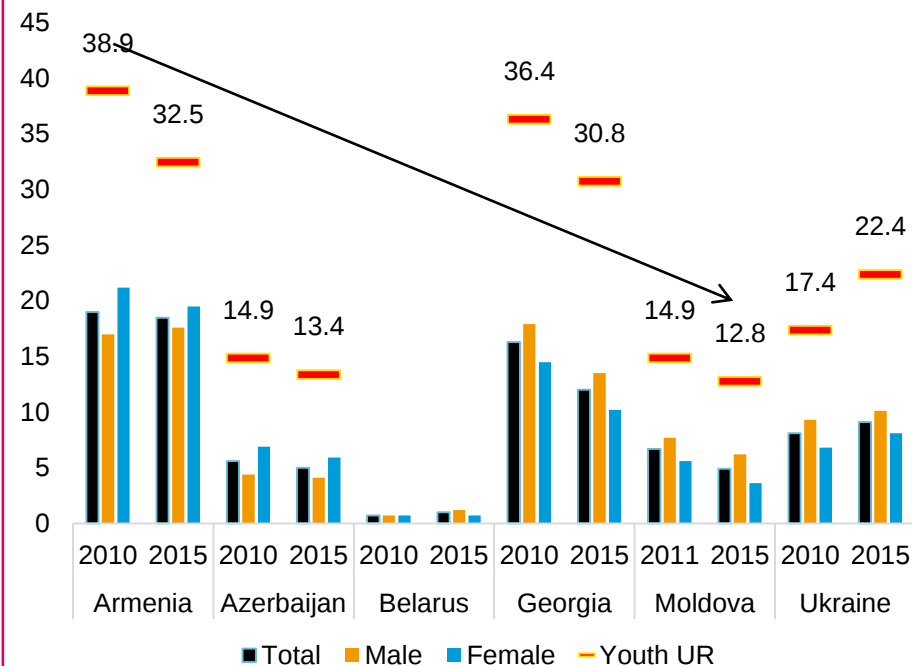
EE: YOUTH UNEMPLOYMENT RATE AND PARTICIPATION IN VET (UPPER-SECONDARY LEVEL)

Youth unemployment rate (15-24) and % VET students in upper sec education - 2014

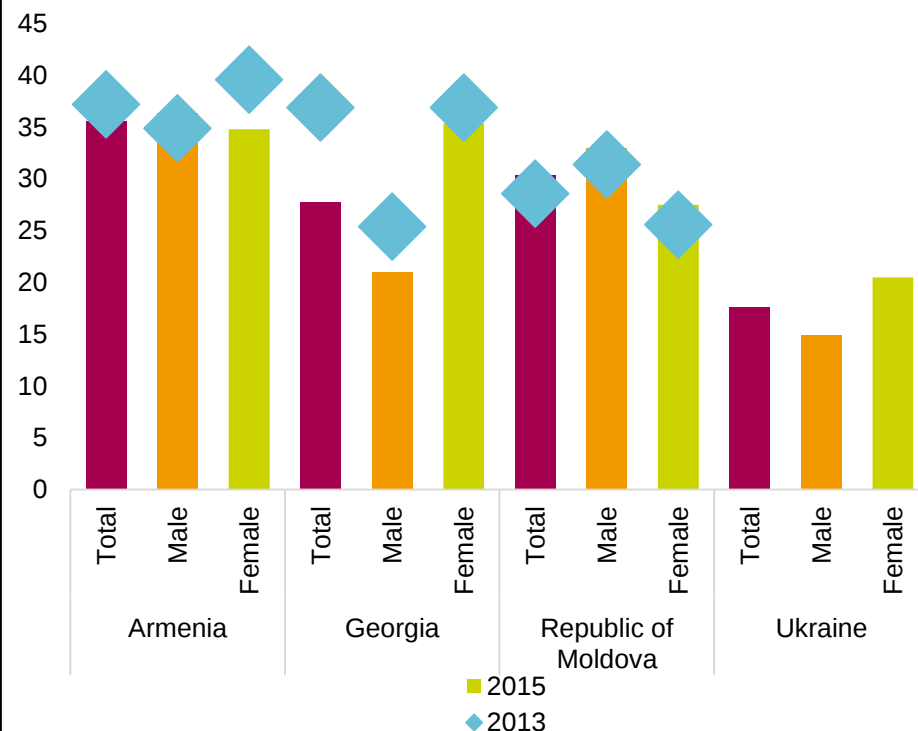


EE: A) UNEMPLOYMENT RATE (+15; 15-24) – 2010, 2015 B) NEET RATE (15-24) – 2013, 2015

Unemployment rate by sex (age group +15) and youth unemployment rates (15-24), %



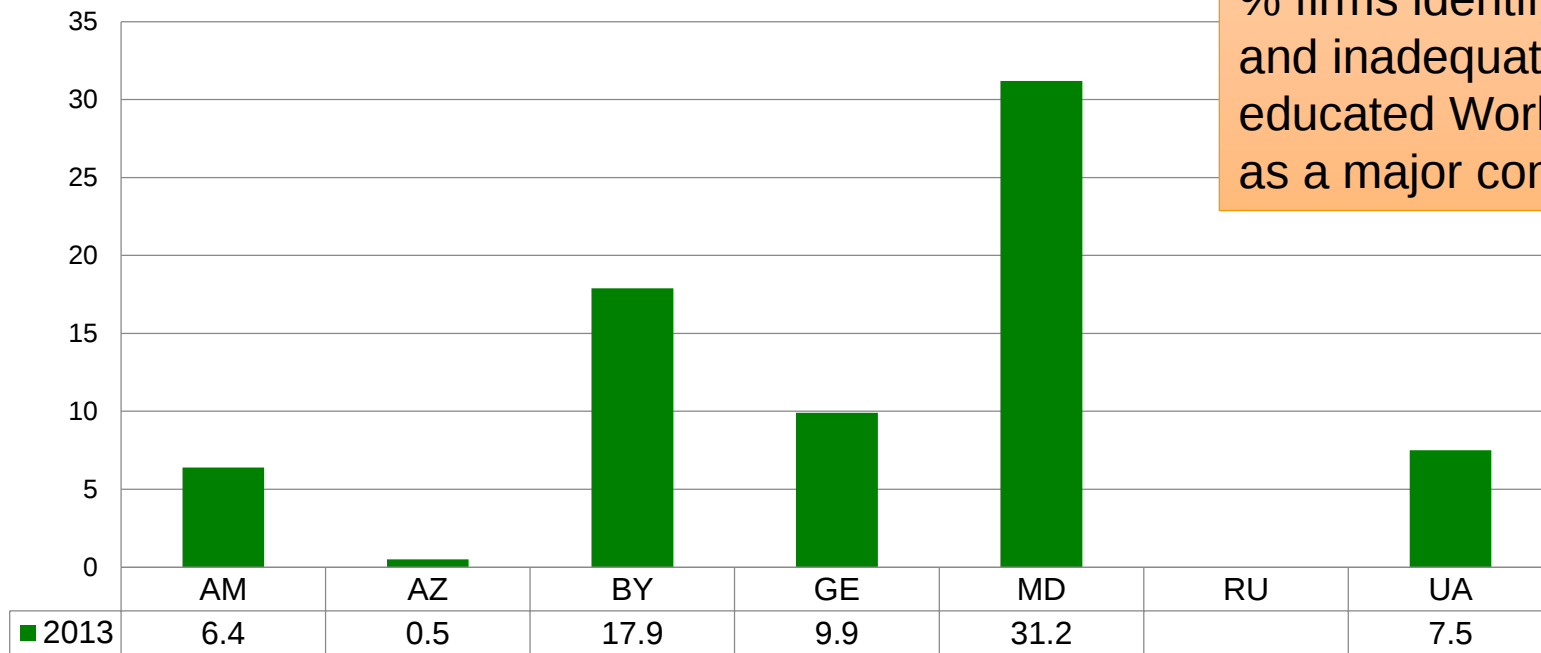
NEETs Rates (15-24) by sex (%) - 2013 and 2015



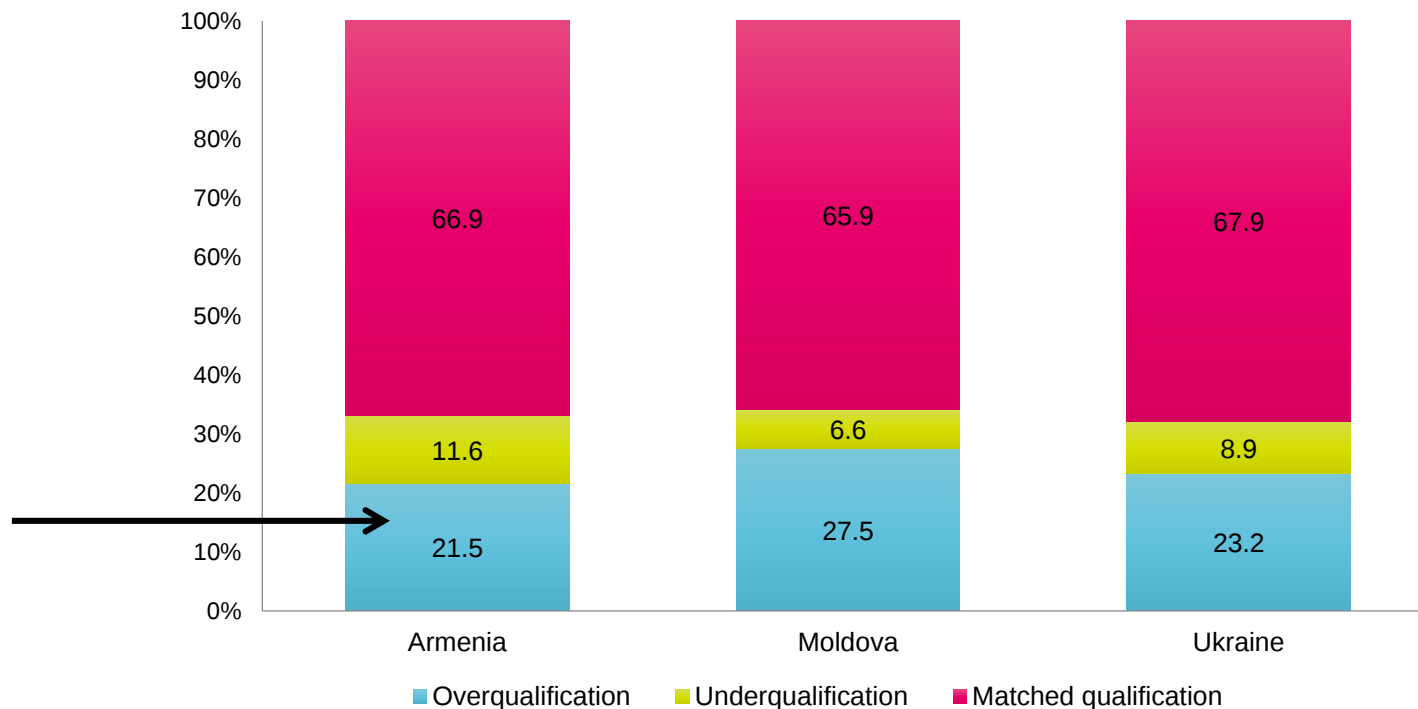
EE: SKILL GAPS (2013)

Skill gap (2013)

% firms identifying and inadequately educated Workforce as a major constraint

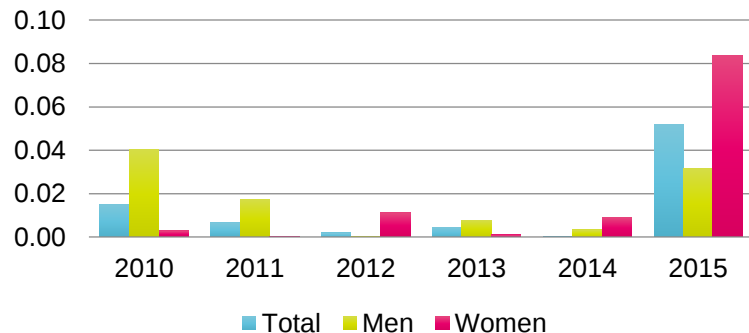


EE SKILL MISMATCH: OVER-QUALIFICATION YOUTH

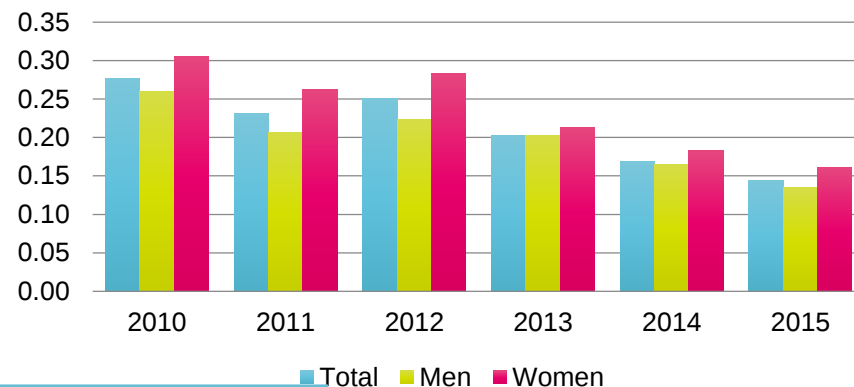


EE SKILL MISMATCH: VARIANCE UR AND ER - MOLDOVA

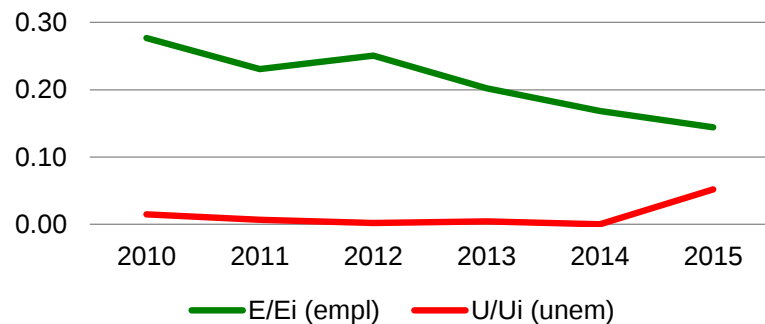
Variance relative unemployment rates -
Mold



Variance relative employment rates - Mold

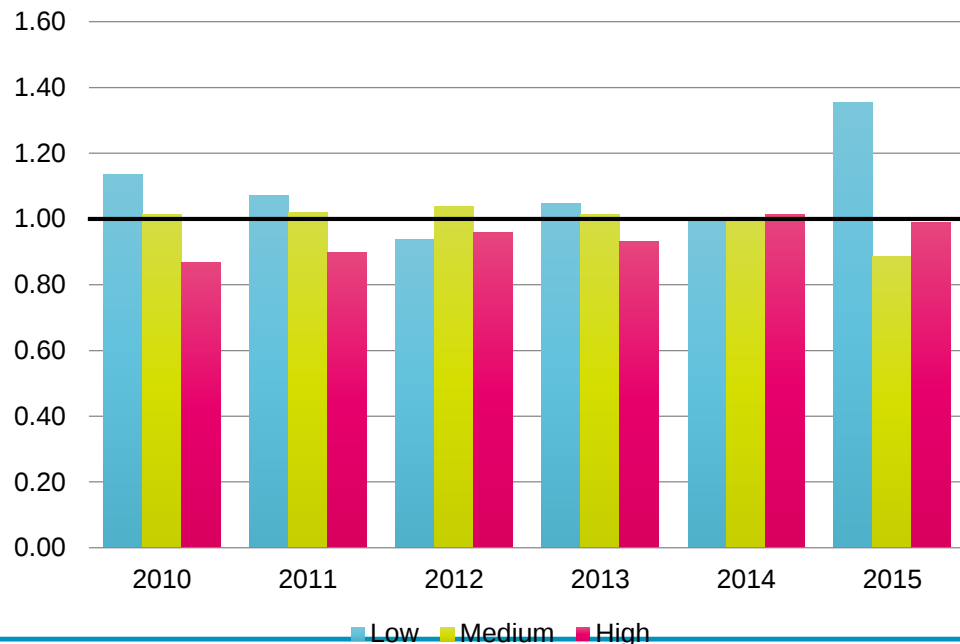


Variance relative employment and
unemployment rates (F+M) - Moldova



MOLDOVA: PROPORTION OF UNEMPLOYED VS EMPLOYED BY EDUCATIONAL LEVEL

Proportional mismatch - Moldova

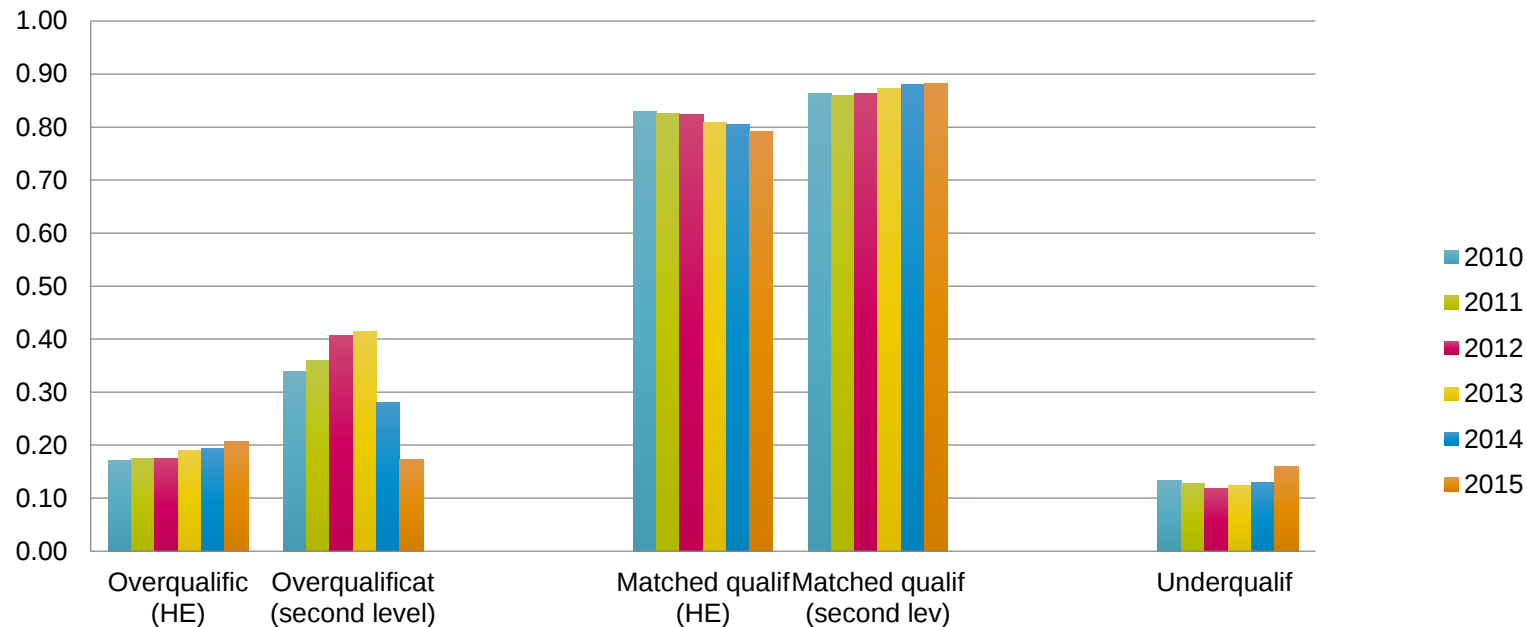


- Excess supply of low skilled labour
- Persisting shortage highly educated but matched in last 2 years
- Medium level qualifications (VET): matched; trend towards shortage



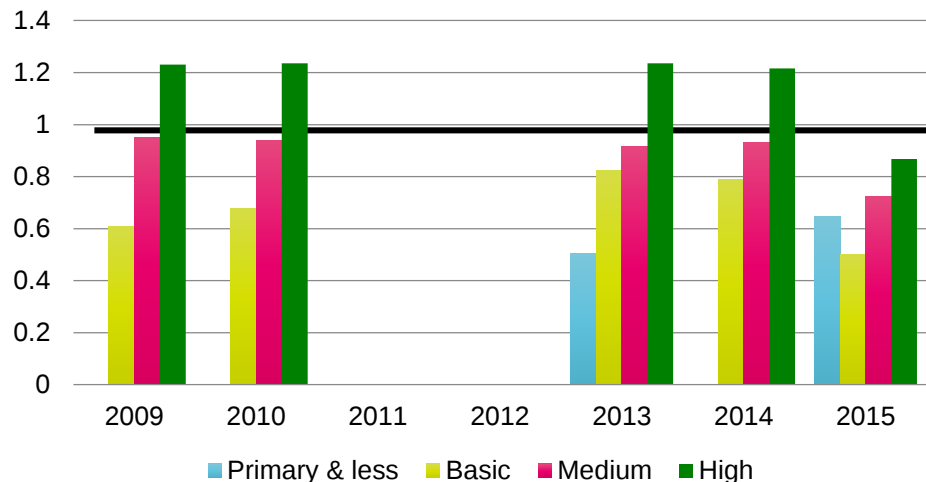
MOLDOVA: OCCUPATIONAL MISMATCH (ISCO)

Mismatch by occupation of employed population - trend (Moldova)

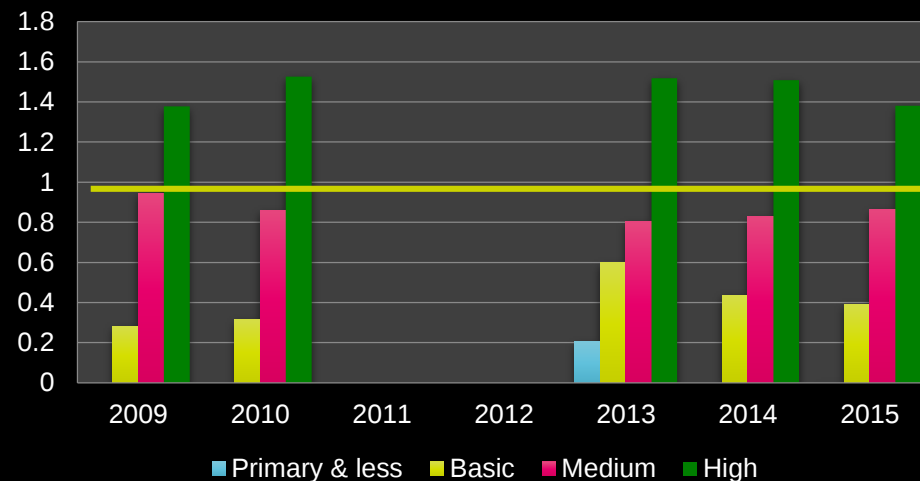


GEORGIA: PROPORTION OF UNEMPLOYED VS EMPLOYED BY EDUCATIONAL LEVEL

Proportional mismatch - (Men) - Georgia



Proportional mismatch (Women) - Georgia



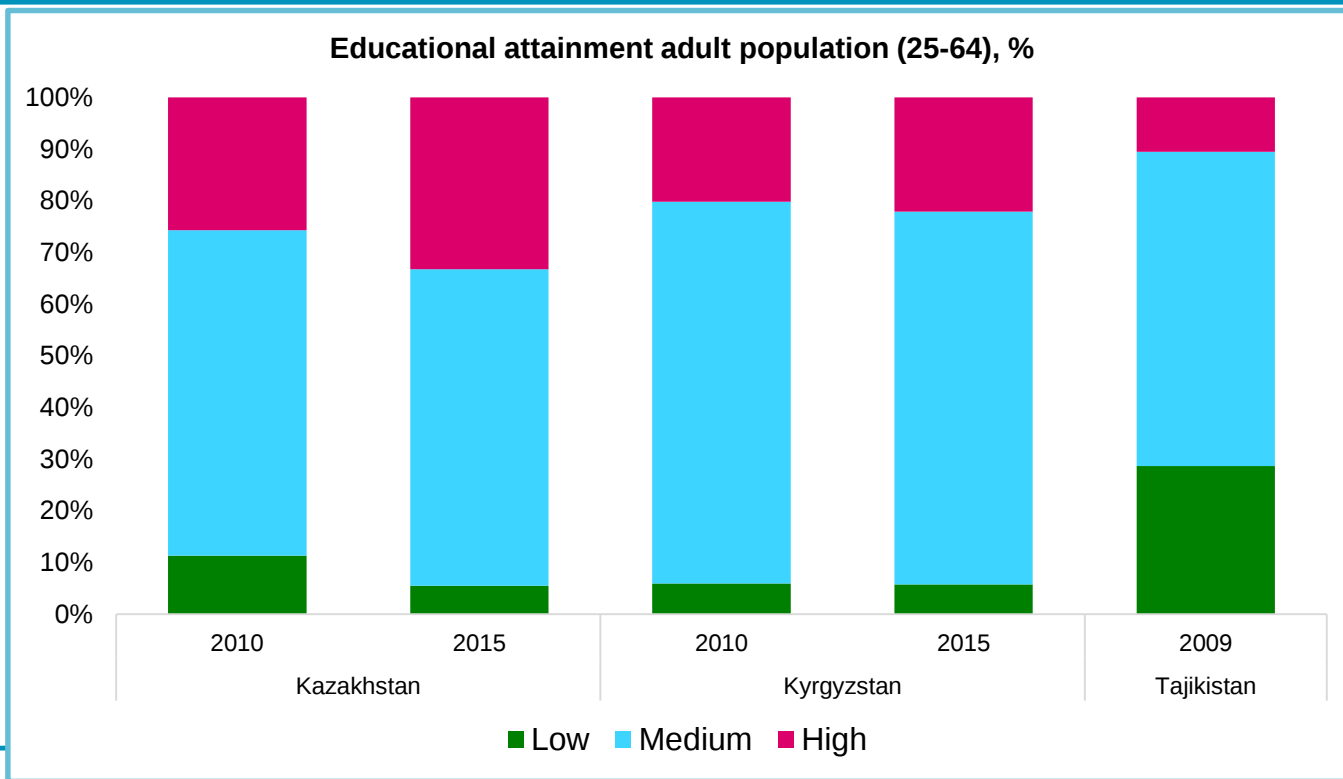
CENTRAL ASIA

KAZAKHSTAN
KYRGYZSTAN

TAJIKISTAN
TURKMENISTAN
UZBEKISTAN

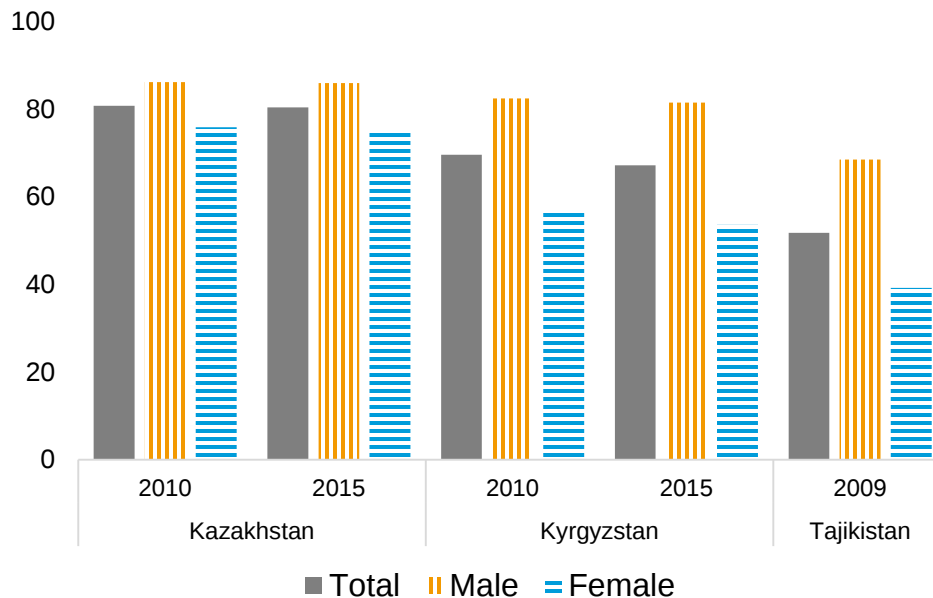


CENTRAL ASIA: EDUCATIONAL ATTAINMENT (25-64)

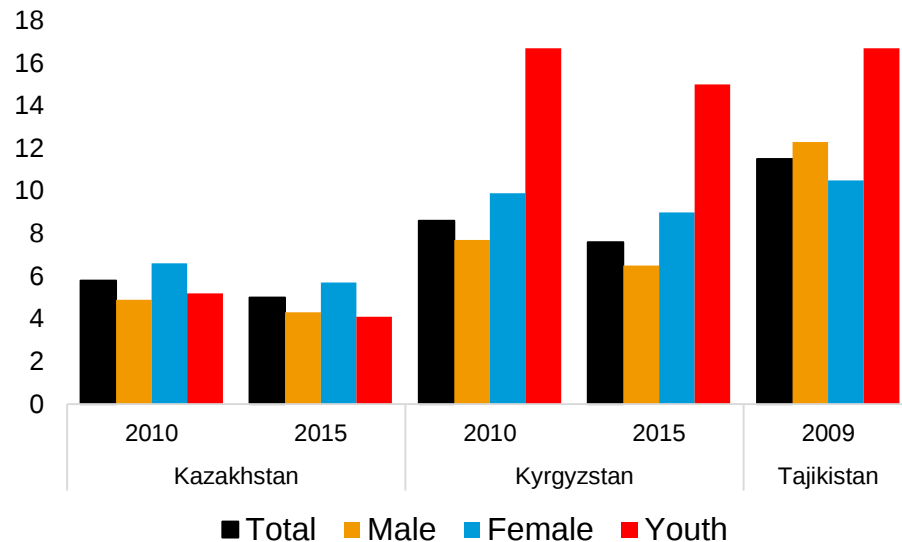


CENTRAL ASIA: A) EMPLOYMENT RATES BY SEX (20-64); B) UNEMPLOYMENT RATES (+15) AND YOUTH UR (15-24)

Employment rate by sex (20-64) - 2009 and 2015

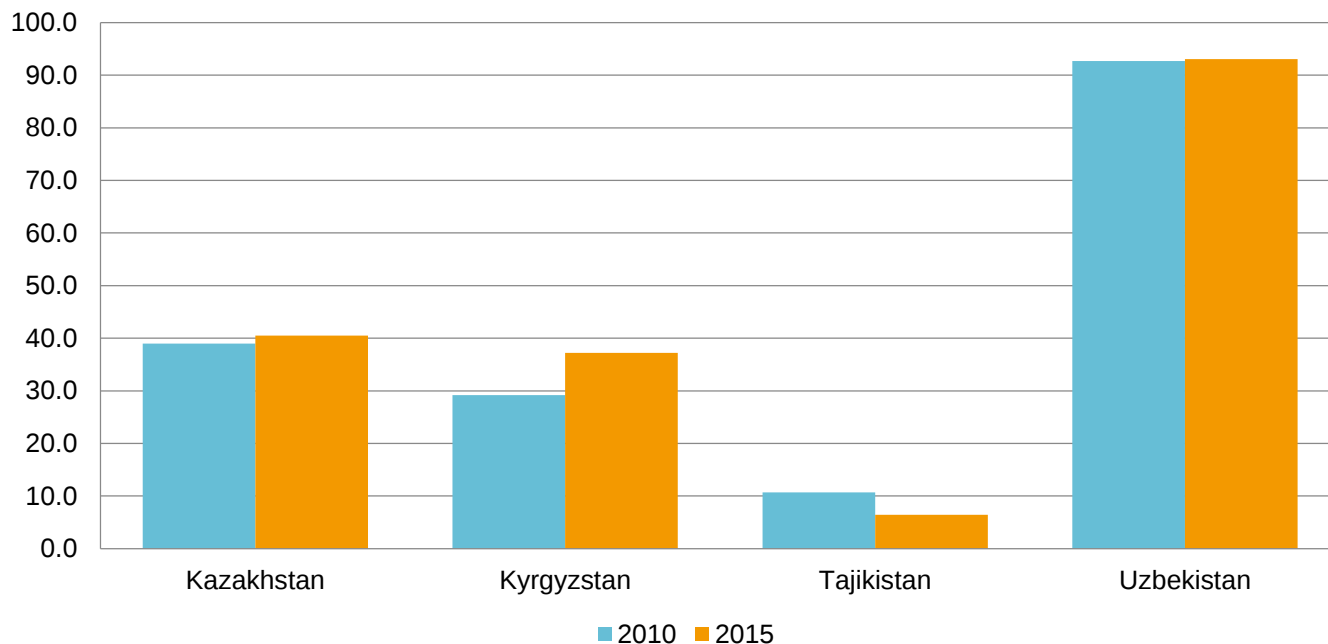


Unemployment rates by sex (15 +) and youth unemployment rates (15-24), %



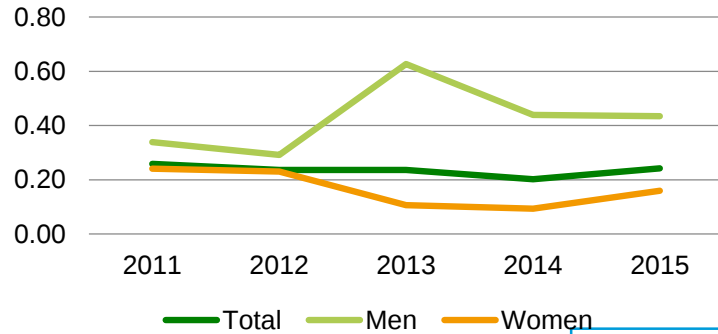
CENTRAL ASIA: VET STUDENTS AS % UPPER-SECONDARY BY SEX

Students in VET as % upper sec students by sex - 2010, 2015

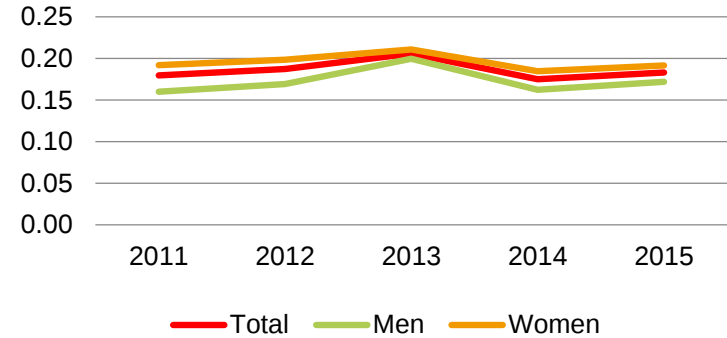


KAZAKHSTAN: VARIANCE UR AND ER (+15)

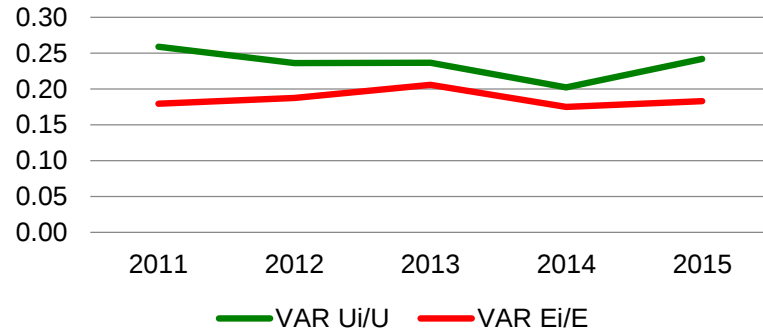
Variance of relative unemployment rates by gender - KAZ



Variance relative employment rates by gender - KAZ

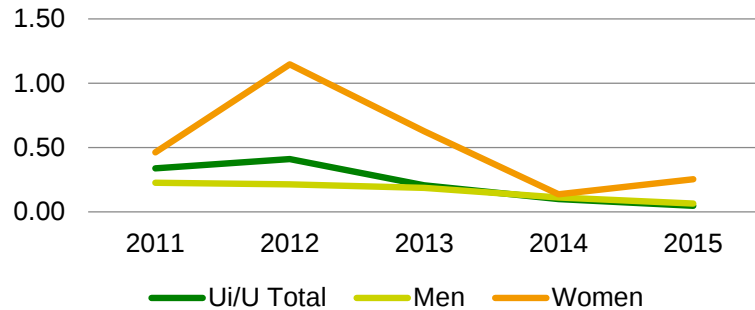


Variance: relative unemployment and employment rates - KAZ (total)

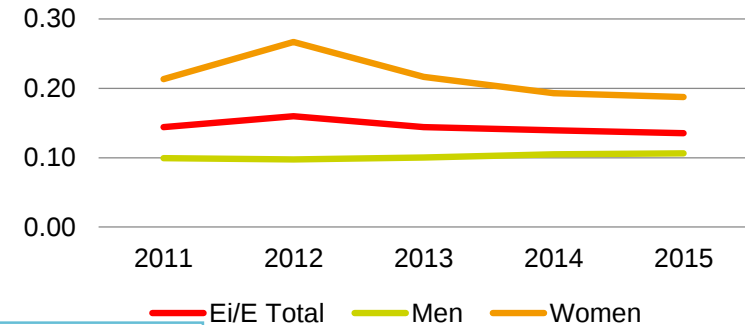


KYRGYZSTAN: VARIANCE UR AND ER (+15)

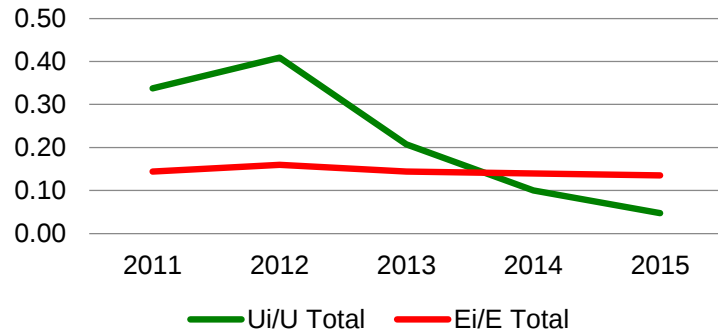
Variance relative unemployment rate (U_i/U) - Kyrg



Variance relative employment rate (E_i/E) - Kyrg



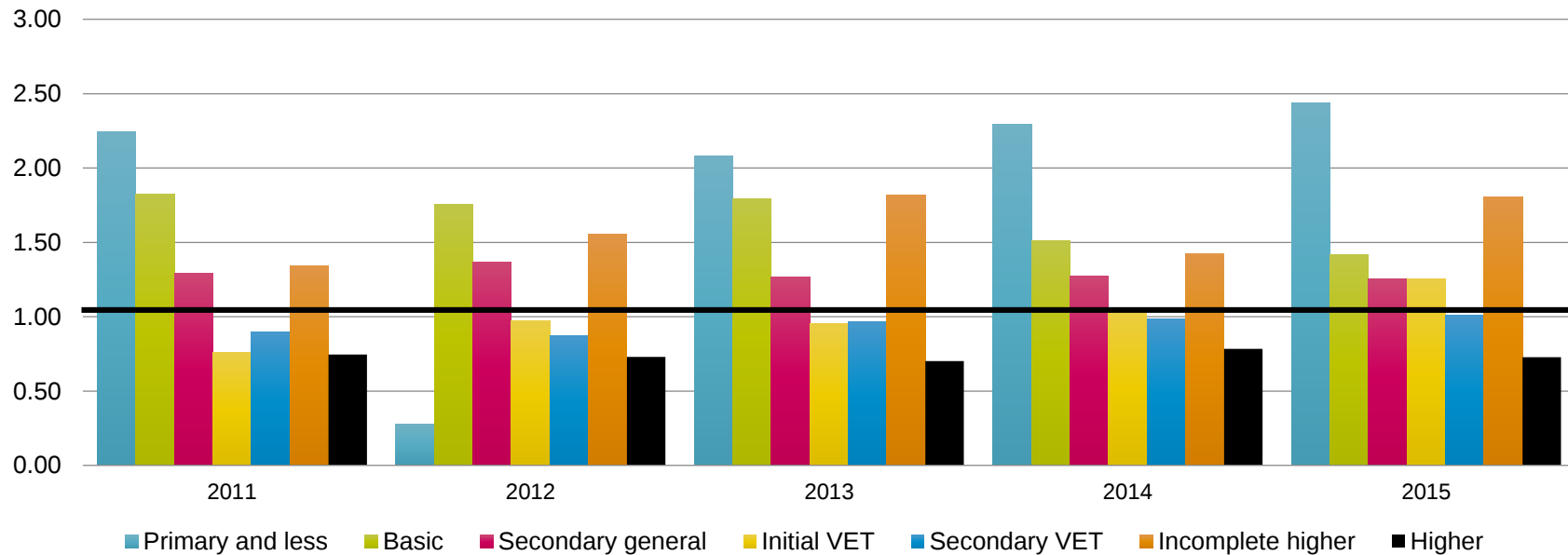
Variance relative employment and unemployment rates ($F+M$) - Kyrgyzstan



VET graduates: ETF tracer study 2015 – ¾ agree: skills not matching employers' needs hamper job search

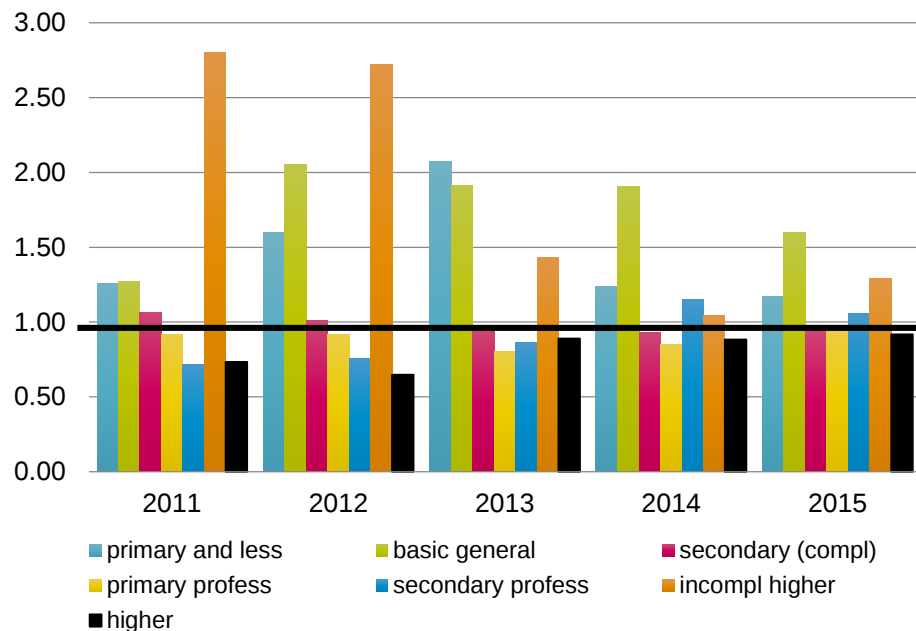
KAZAKHSTAN: PROPORTION OF UNEMPLOYED VS EMPLOYED BY EDUCATIONAL LEVEL

Proportional mismatch KAZ (total - F+M)

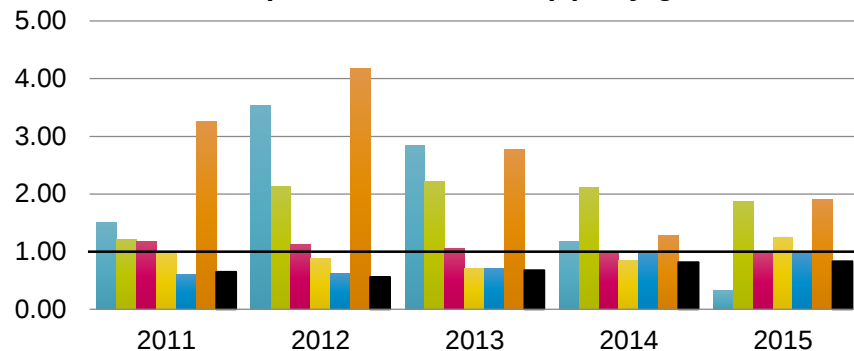


KYRGYZSTAN: PROPORTION OF UNEMPLOYED VS EMPLOYED BY EDUCATIONAL LEVEL

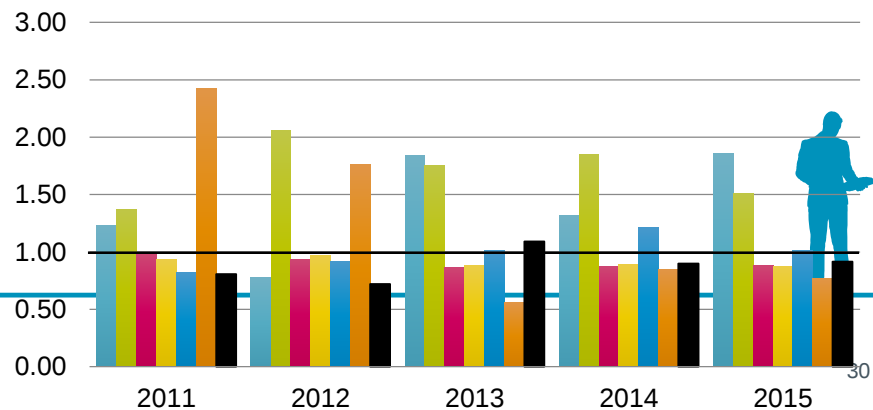
Proportional mismatch (M+F) - Kyr



Proportional mismatch (F) - Kyr



Proportional mismatch (M) - Kyr



CONCLUSIONS

- ✧ Concepts and methodologies for skill mismatch measurement: need for shared views
- ✧ Better use of available data (in particular: statistical; special surveys; more qualitative information) to analyse/ measure skill mismatch. Data inconsistencies to be addressed (e.g.: education)
- ✧ A simple indicator-based approach to quantifying on-the-job skills mismatch across countries is likely to be unreliable. Combined analysis results different methodologies – complementarity angles.
- ✧ Instead, more careful country-specific analysis is needed to verify the extent of "genuine" skills mismatch and its drivers to devise adequate policies.
- ✧ Difficult solely on the basis of employer survey data, to gauge the extent of genuine skills shortages



THANK YOU

