

Inter-regional Technical Forum on Skills for Trade, Employability and Inclusive Growth

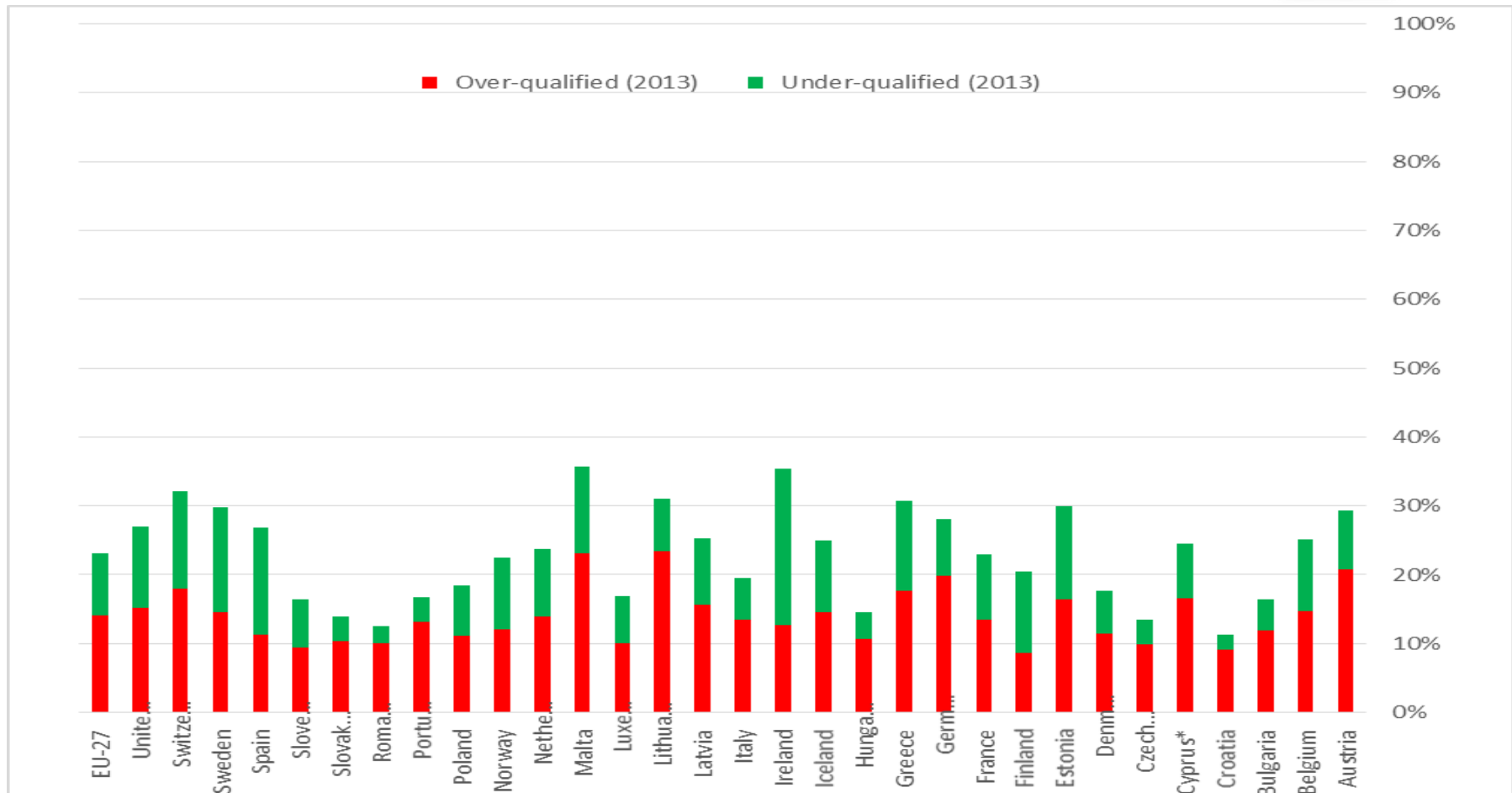
Anticipating and matching skills: Key drivers of change and policy mix

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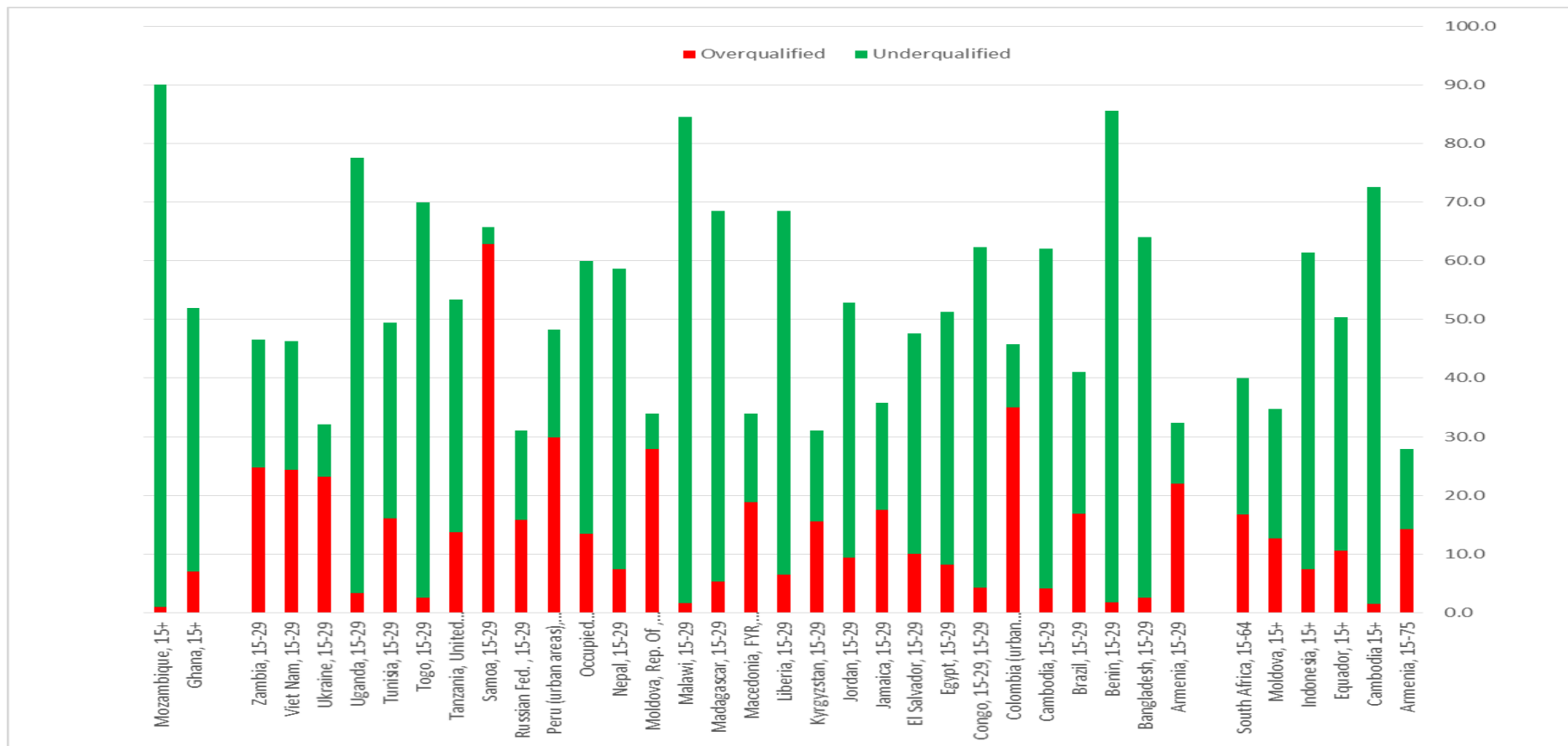
Siem Reap, Cambodia
30-31 May 2017

How much qualification mismatch is there? (high-income countries)



ILOSTAT, Qualification mismatch, selected developed countries, *Percentage of workers mismatched, Relative approach (modal)*

How much qualification mismatch is there? (low and middle income countries)

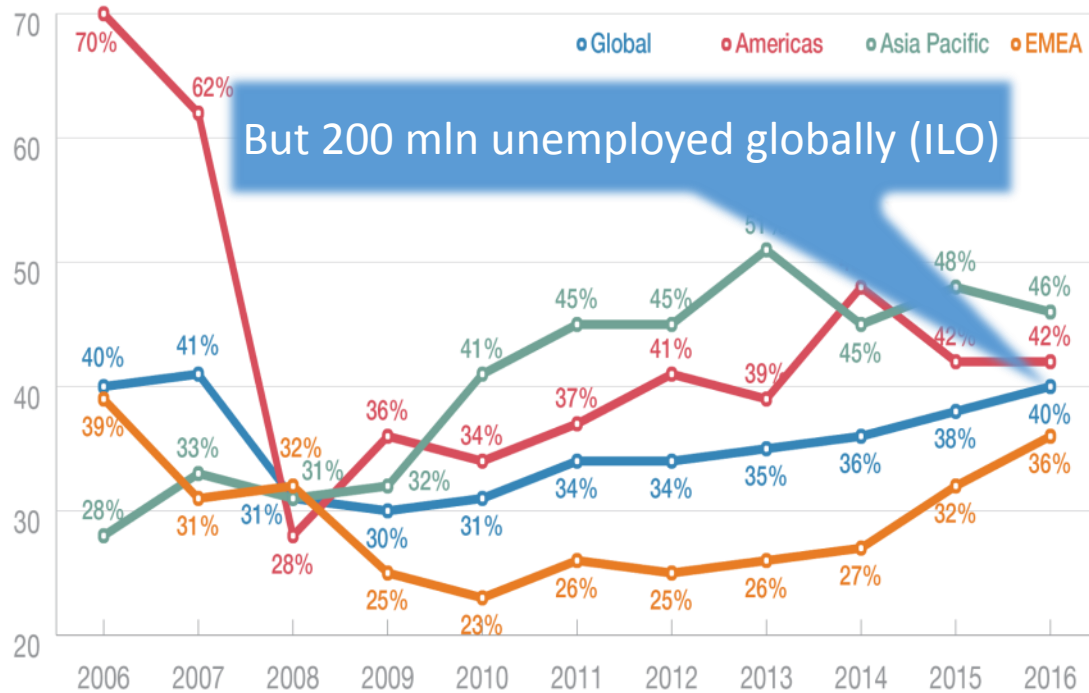


ILOSTAT, Qualification mismatch, selected developing countries, *Percentage of workers mismatched, Objective approach (ISCO+)*

What do employers say? (Manpower Group Talent Shortage survey)



Percent of Employers Having Difficulty Filling Jobs:



Top 10 Hardest Jobs to Fill Globally:

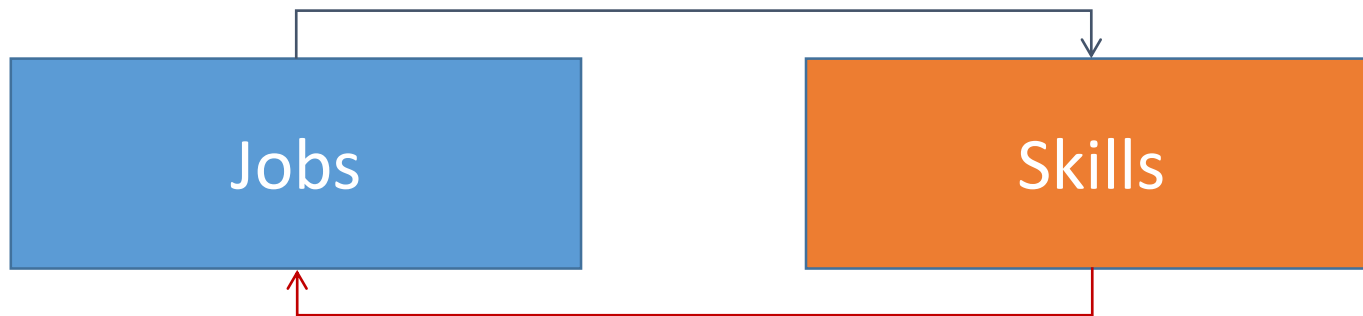


Skills mismatch



- ILO global research on jobs and skills mismatch – work in progress
- A complex phenomenon (over/under qualification, over/underskilling, field of study mismatch, skills shortages/gaps, skills obsolescence)
- Some forms are more problematic than others (wage penalty on overeducation (more severe in developing countries), impact on productivity, job dissatisfaction)
- The situation whereby 1 in 4 employees are operating below their productive capacity is a major concern (especially in advanced economies)
- Job quality / informality matter: with improved job quality, overeducation decreases

A feedback loop



Global drivers of change



- Technology and innovation
- Demographic change
- Mobility of labour
- Change in work organisation
- Transition to environmental sustainability and a low carbon economy
- Educational attainment
- Globalisation and trade

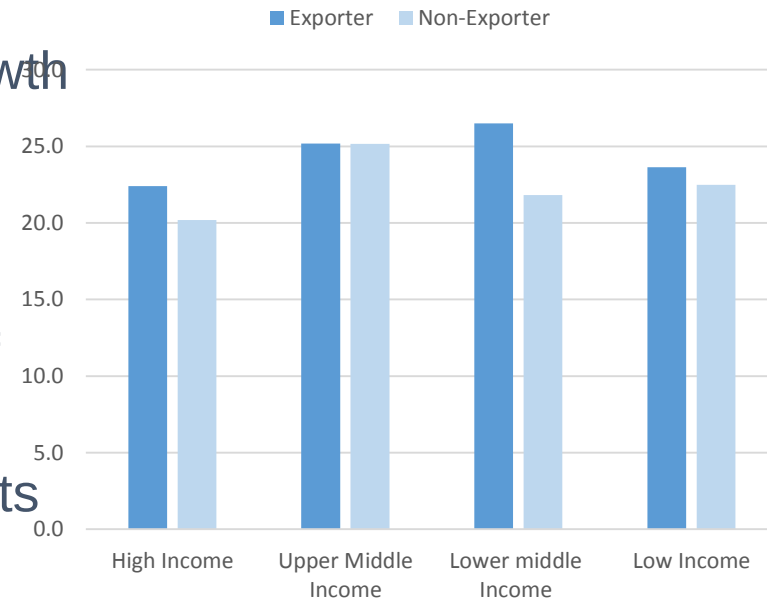


Deep dive: Globalization and trade



- GVCs, redistribution of work, offshoring and reshoring
- Trade openness can promote economic growth and employment creation
- Exporting firms tend to be larger, more productive and employ higher skilled labour
- Skills are key for both quantity and quality of export growth
- Key to economic diversification (new products and services, markets, technologies)
- The dispersion of skill levels also affects countries' comparative advantage in trade
- Skills play a role of a buffer helping to reduce adjustment costs
- Offset the tendency of trade to drive increases in income inequality
- Key for companies' ability to move up in the value chain

Percent of firms identifying an inadequately educated workforce as a major constraint (WBES)



Deep dive: globalization and trade and impact on skills



- targeted skills training in skill intensive sectors that benefit from trade expansion (STED)
- targeted measures to mitigate unemployment and address equity (gender, youth, aging workers)
- policy coherence between trade and skills development
- core work skills (portable!)
- addressing specific skills such as marketing, compliance with standards and regulations, quality control, food safety, products labelling, product design and product development, supply chain management and procurement etc.

Challenges

- Technology and innovation
- Globalisation of markets
- Demographic changes
- Climate change
- Increasing educational attainment
- Changes in work organisation

Global drivers of change



Skill
demand

MISMATCH

Skill
supply

Response choices

- Better skills utilisation,
- Measures to improve retention,
- Improving work conditions,
- Business strategies based on capabilities and human capital investment,
- National / sectoral policies and regulations

Coordination!

- National / sectoral education and training policies and regulations,
- Lifelong and workplace learning,
- Activation measures ,
- Skilled migration and workforce mobility,
- Skills matching and retraining through employment services

ANTICIPATION OF SKILL NEEDS



ILO mandate on skills development

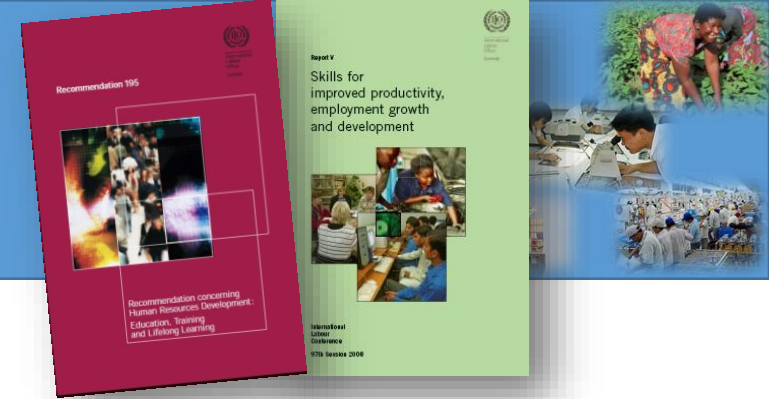


Set through tripartite consultations of
Governments, Workers and Employers:

**Help constituents bridge the world of education
and training to the world of work in order to...**

- *improve the employability of workers,*
- *increase the productivity and competitiveness of enterprises, and*
- *expand the inclusiveness of economic growth*

ILO Skills Policy Framework



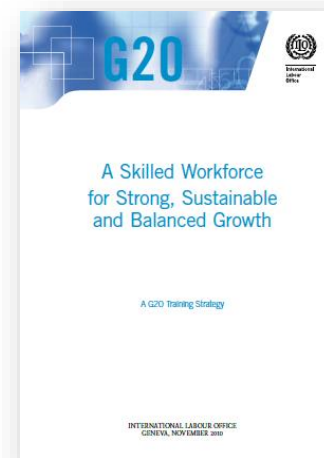
- The key role of the identification of skill needs in the dynamic framework of objectives of skills development policy
 - for today's labour market (reduce skills mismatch) and
 - for tomorrow (prepare for technologies and industries with growth potential);
- Skills development itself could be an important driver of change if skills are an integral part of employment, industrial, technological, environmental and other policies
- 2030 Agenda for Sustainable Development
- The ILO Future of Work initiative

G20 Training Strategy: Building blocks



The “How” of successful training strategies for strong, sustainable and balanced growth

- ☐ Anticipating skill needs
- ☐ Participation of social partners
- ☐ Sectoral approaches
- ☐ Labour market information and employment services
- ☐ Training quality and relevance
- ☐ Gender equality
- ☐ Broad access to training
- ☐ Finance
- ☐ Assessing policy performance



ILO tools for skill anticipation and assessment



The compendium of [six guides](#) on anticipating and matching skills and jobs (Cedefop, ETF, ILO): 6 Volumes

1. Using labour market information.
2. Developing skills foresights, scenarios and forecasts.
3. Working at sector level.
4. The role of employment service providers.
5. Developing and running an establishment skills survey
6. Carrying out tracer studies.

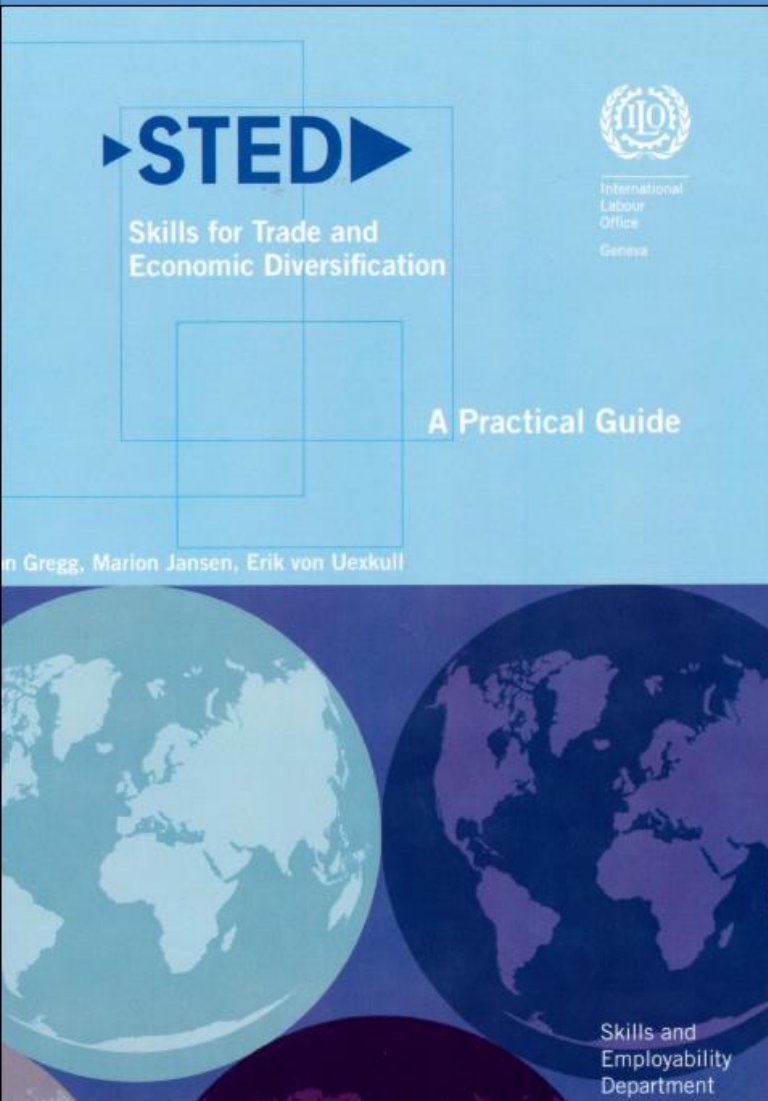
Policy specific tools for skill needs anticipation



- ❑ Guidelines for inclusion of skills aspects in employment-related analyses and policy formulation ([Cambodia, Fiji, Sudan](#))
- ❑ Anticipating skill needs for green jobs: A practical guide. (Based on research in over 30 countries).
- ❑ Using technology foresights for identifying future skill needs. MSM Skolkovo - ILO ([Armenia, Viet Nam](#))
- ❑ Skills for trade and economic diversification (STED)

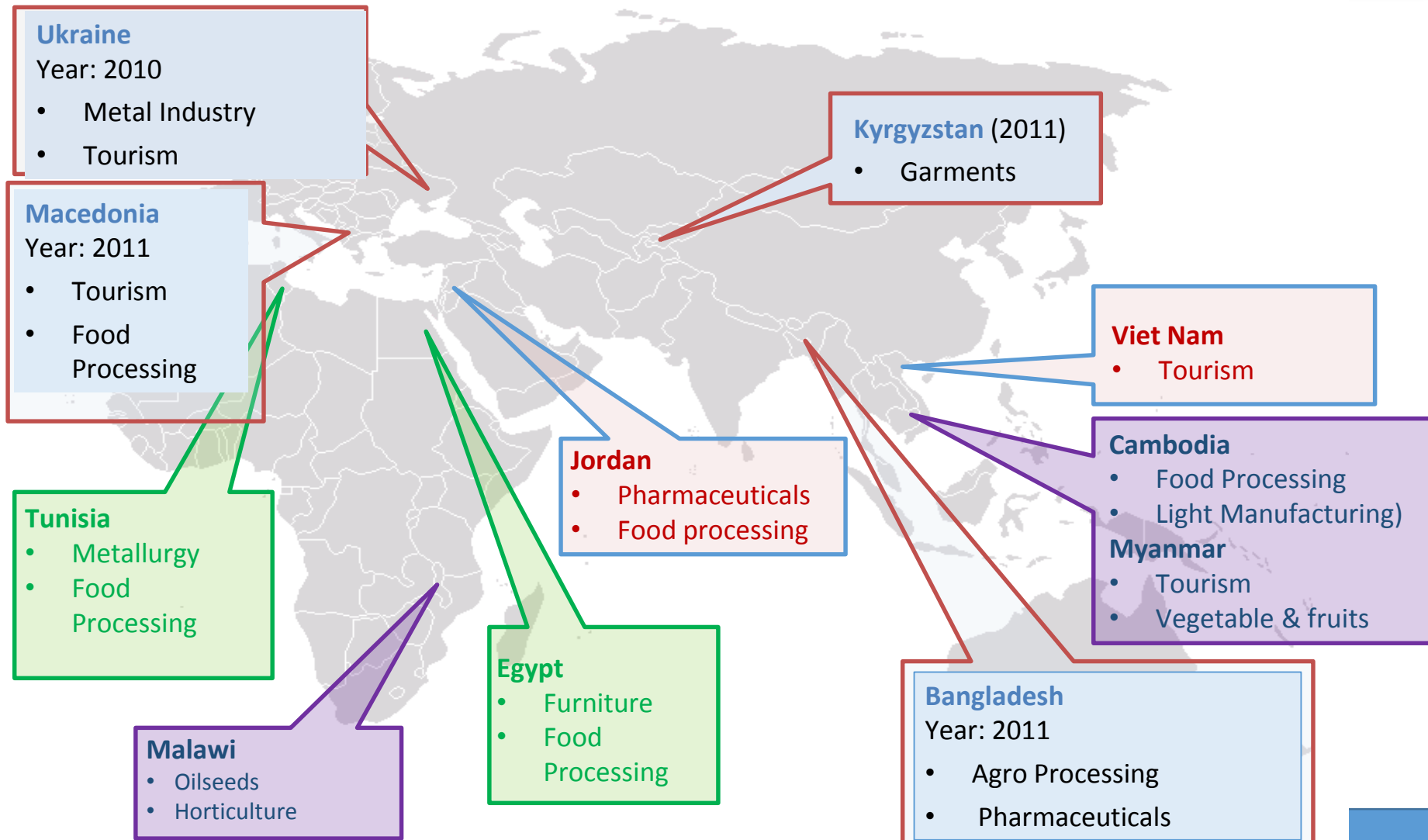


What is STED?



- STED – Skills for Trade and Economic Diversification
- ILO’s Sector-based methodology to provide **strategic guidance** on integrating skills development into policies to strengthen traded sectors
- Designed to use skills to:
 - Improve competitiveness
 - Improve position in international trade
 - Drive growth in output and sales
 - Create more decent employment
- Essentially, combination of strategic analysis & social dialogue
 - Substantial **skills** sector studies for traded sectors,
 - With strong **social partner** and stakeholder involvement, and engagement

STED applications so far



Thank you!



“When the winds of change blow, some seek shelter, others build windmills” – an old Chinese Proverb