

ILO Moscow Webinars

Thinking the labour market for
a job-rich economic recovery in the CIS

**Webinar IV Employment policies for reducing the mismatches
between the education system and the labour market**

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The pandemic has deepened and accelerated several existing inequalities ...

the clear losers in the pandemic's urban labor markets have been the less educated and the less skilled – who, are less capable of remote work

Education and the possibility of remote work
are correlated, in short

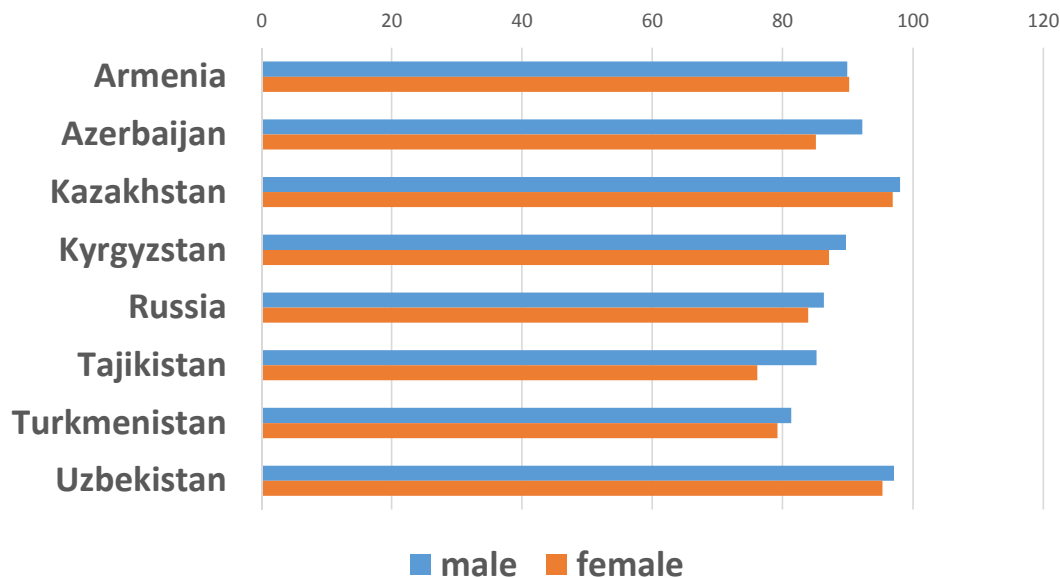
... in the pandemic, therefore, education was
not just one route to a better income, but a
safeguard against the outright loss of income
altogether

Literacy, enrolment, and completion rates are
high in the region...

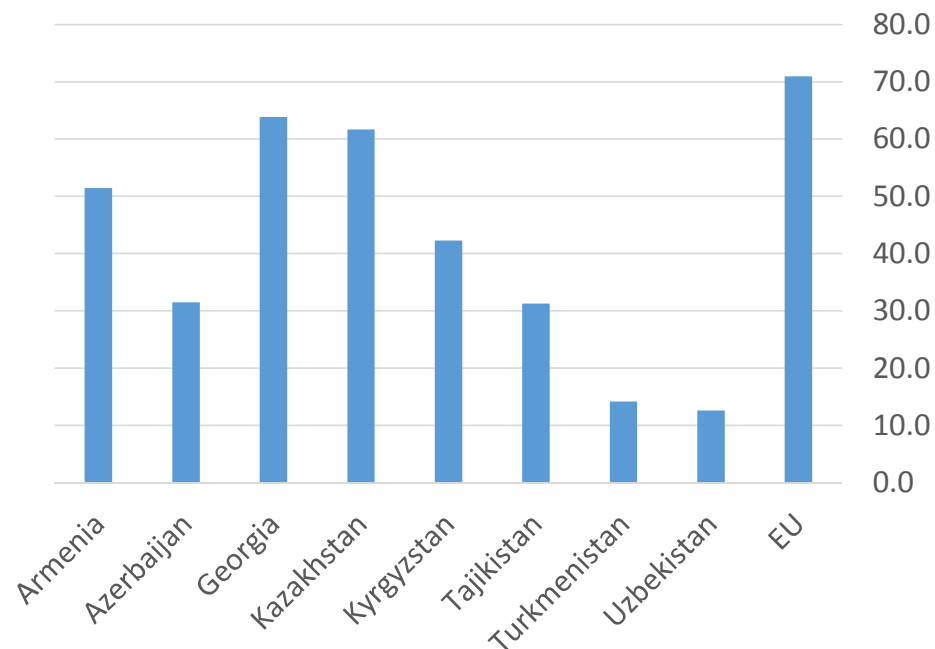
... And the labor market rewards this

High literacy rates and secondary school completion rates, yet large gaps for tertiary enrolment

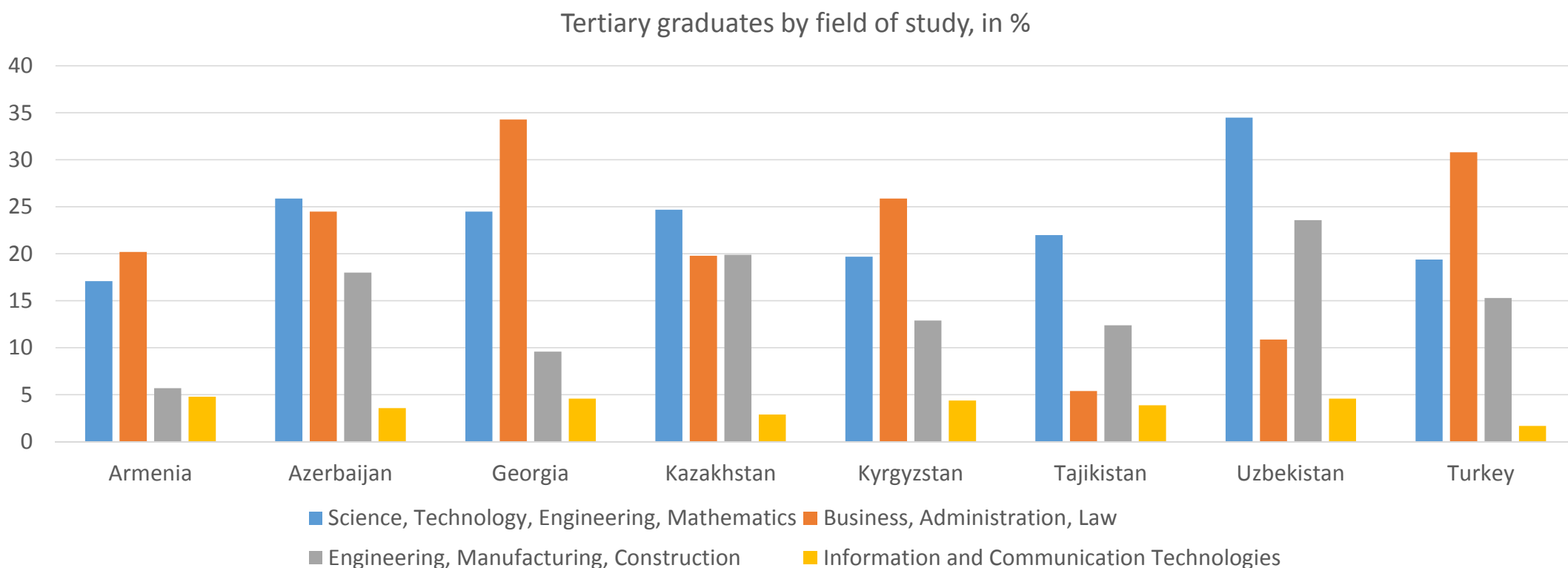
Relative parity between the sexes
and relatively high upper secondary
completion rates



Tertiary enrolment rates (in%):
large gaps prevail

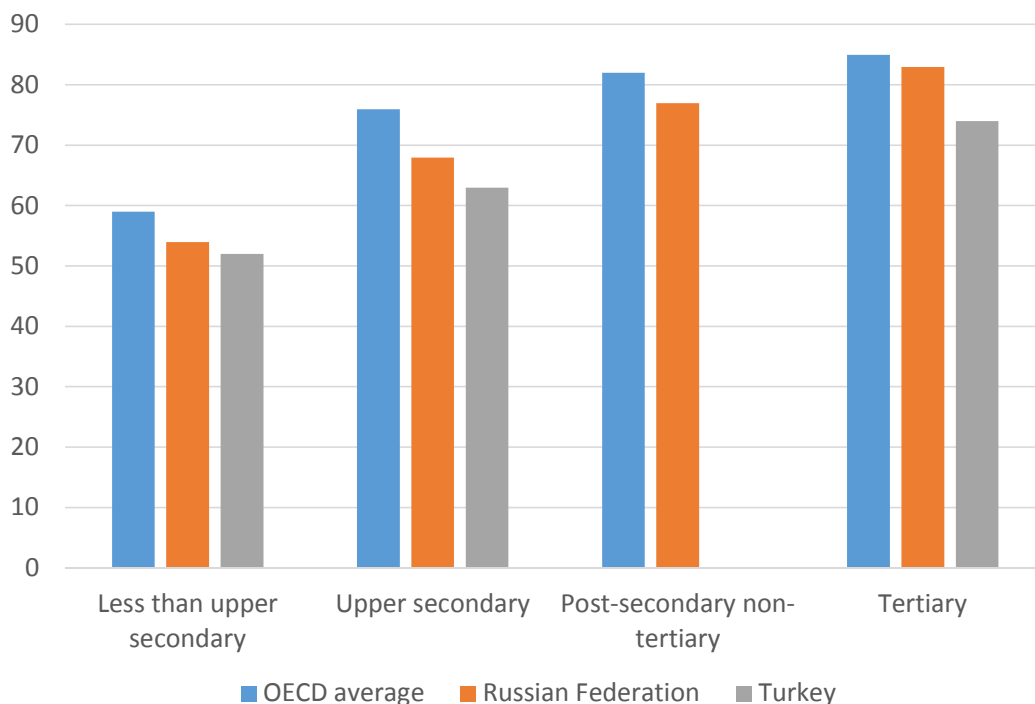


ICT is lagging field of study, as in many countries

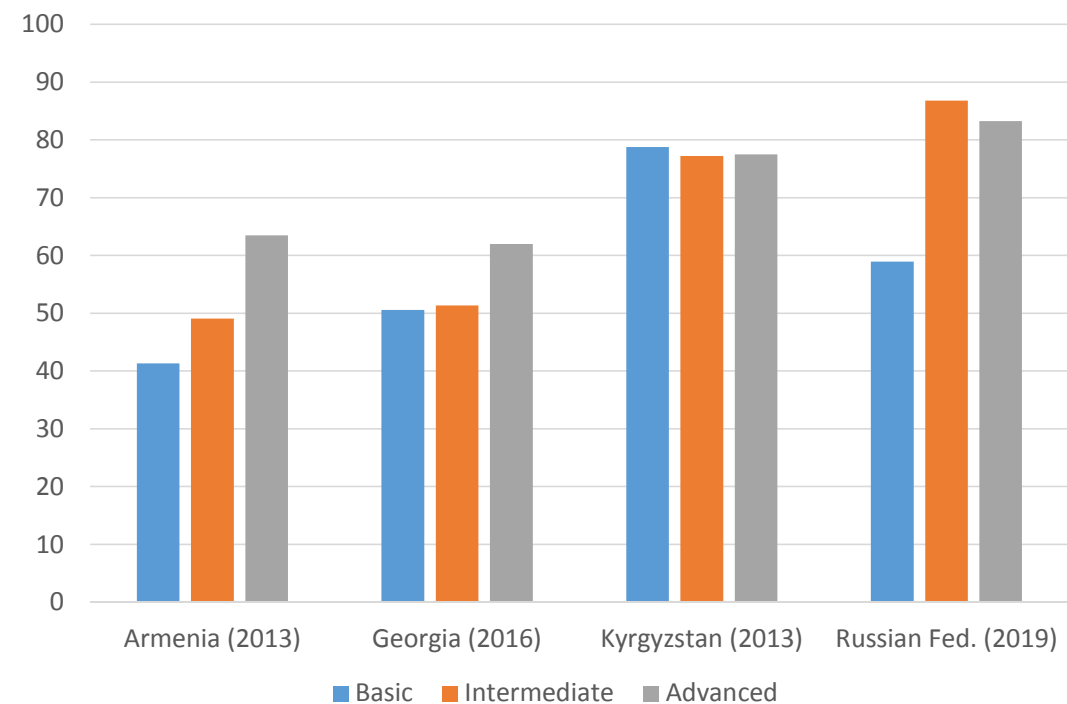


There are many rewards to education ... Being employed is one of them

Employment to population ratio by educational attainment,
25-64 years, 2018

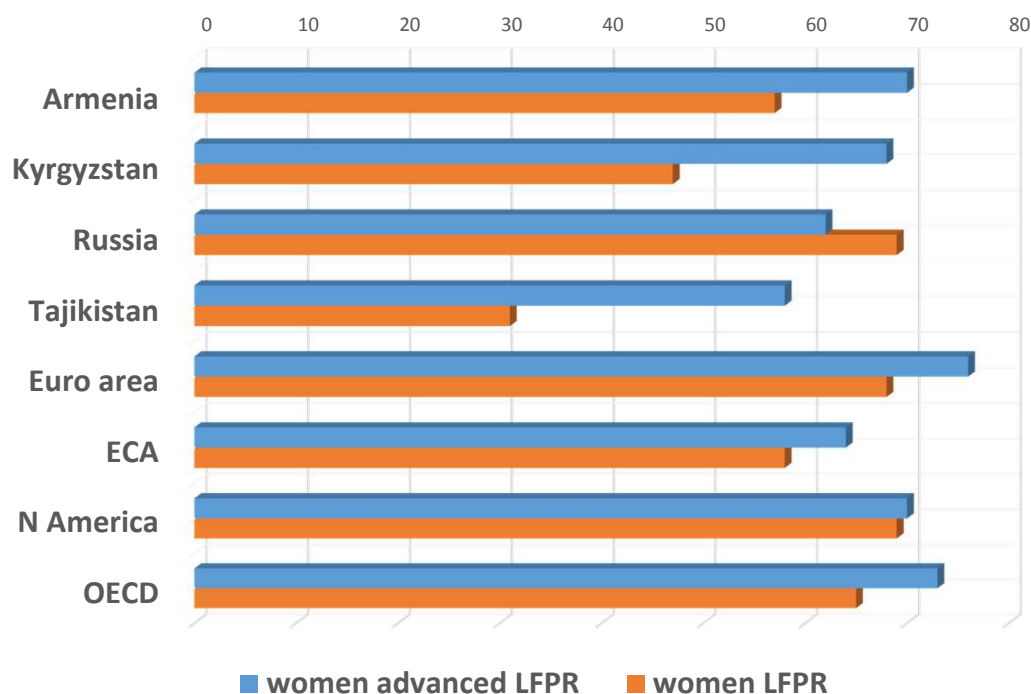


Youth (25-29 years) employment to population ratio by
education level

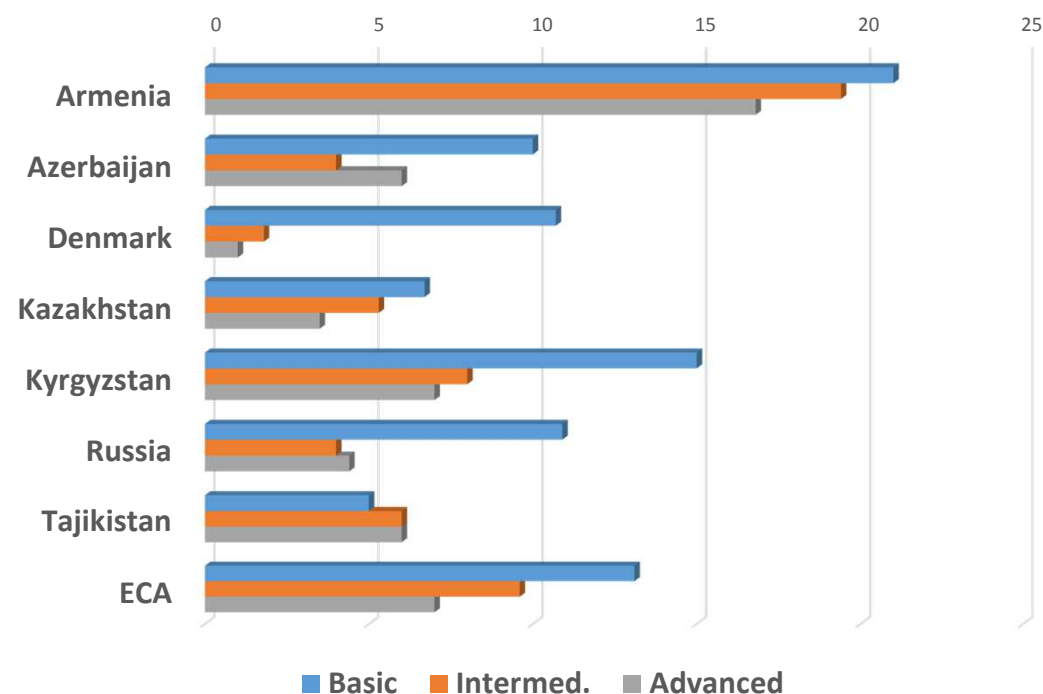


And this is true for both women and men:
education and labour force participation or the employment rate are almost always
positively related (and inversely for the unemployment rate)

The more educated, the higher the labour
force participation of women



The unemployment rate declines with the
level of education, 2016-2019 average



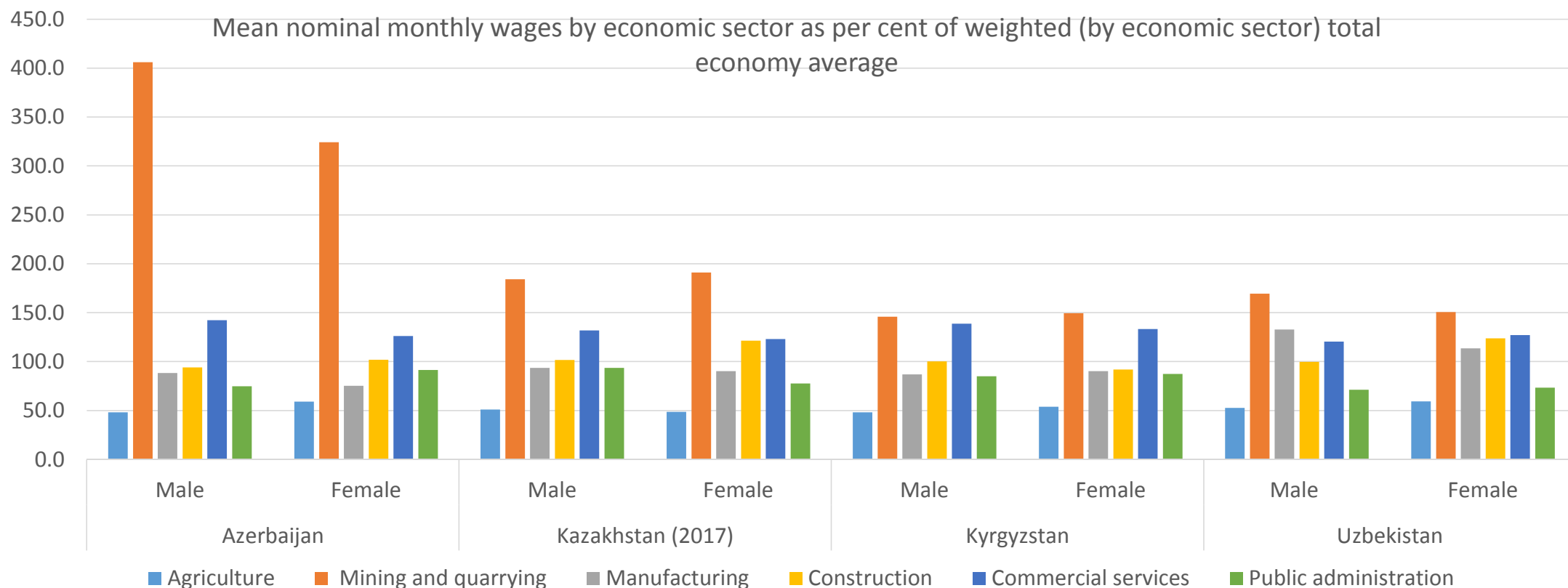
earnings are another ...

- On average across OECD countries, adults with a short-cycle tertiary degree earn 20 % more than adults with upper secondary education, and 44% more for those with a bachelor's degree, and 91% more for those with a master's or doctoral degree

Returns to education: World Bank research shows consistent patterns across countries (Patrinos, 2015)

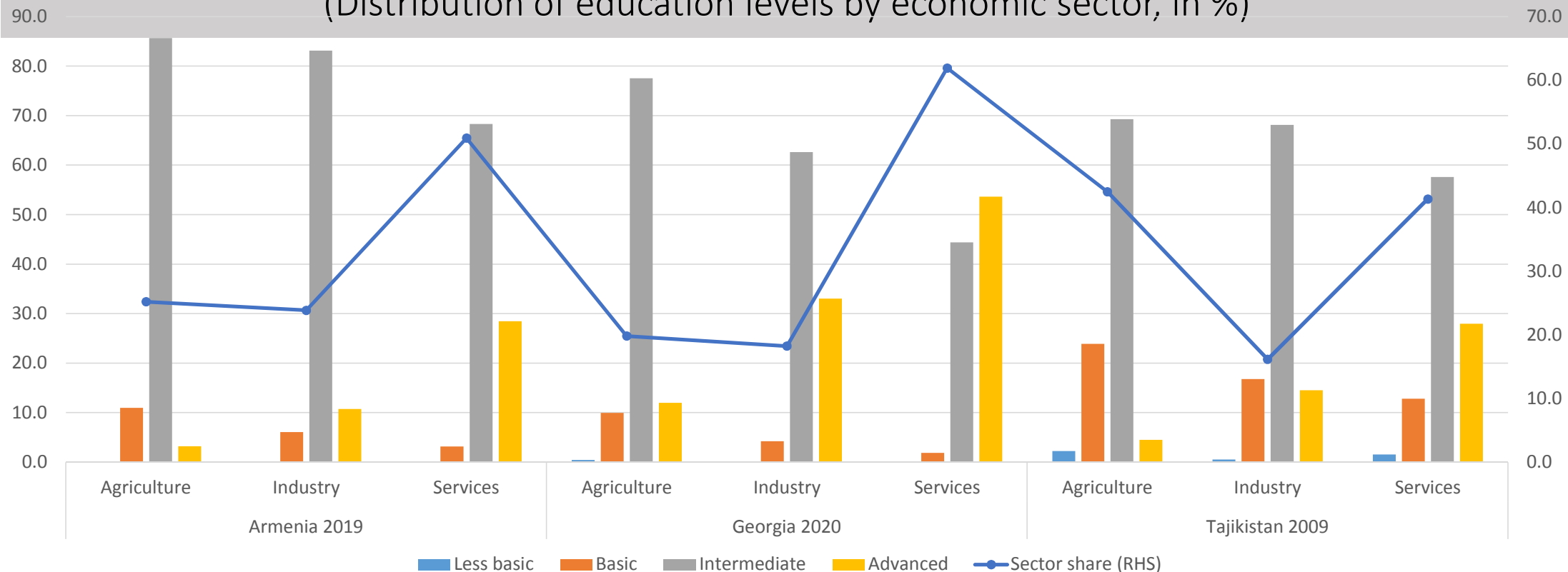
- The returns to schooling are 10% per year of schooling;
- The returns to schooling are higher for women than for men;
- The returns to tertiary education are higher than the returns to primary or secondary schooling; and
- There is a decreasing pattern over time, meaning that as schooling levels rise, the returns tend to decline, but only modestly.
- There are positive and significant wage benefits associated with a year of schooling;
- Better cognitive skills yield significant pay-offs; and
- Several socio-emotional skills matter for earnings, those types of skills are rewarded differently in different countries.

Wages highest in mining and commercial services, lowest in agriculture and public administration; Construction wages higher than industry; Women earn on average 76 per cent of men (economy wide average)



Intermediate education dominates in all economic sectors, but advanced education is highest in services, and basic education in agriculture

(Distribution of education levels by economic sector, in %)

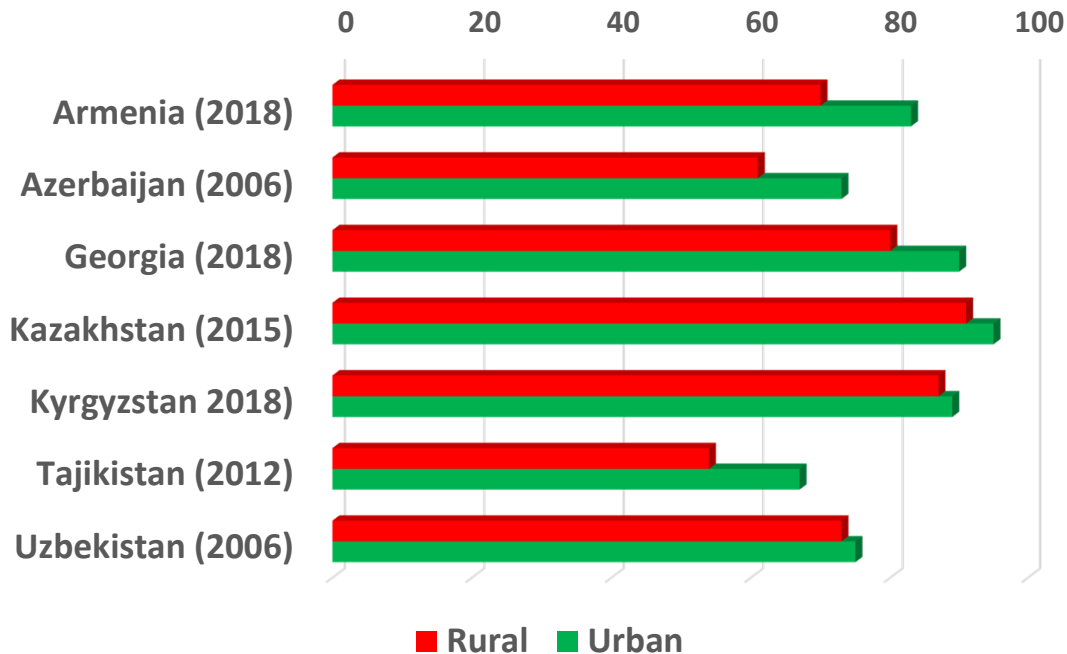


Some disparities in education

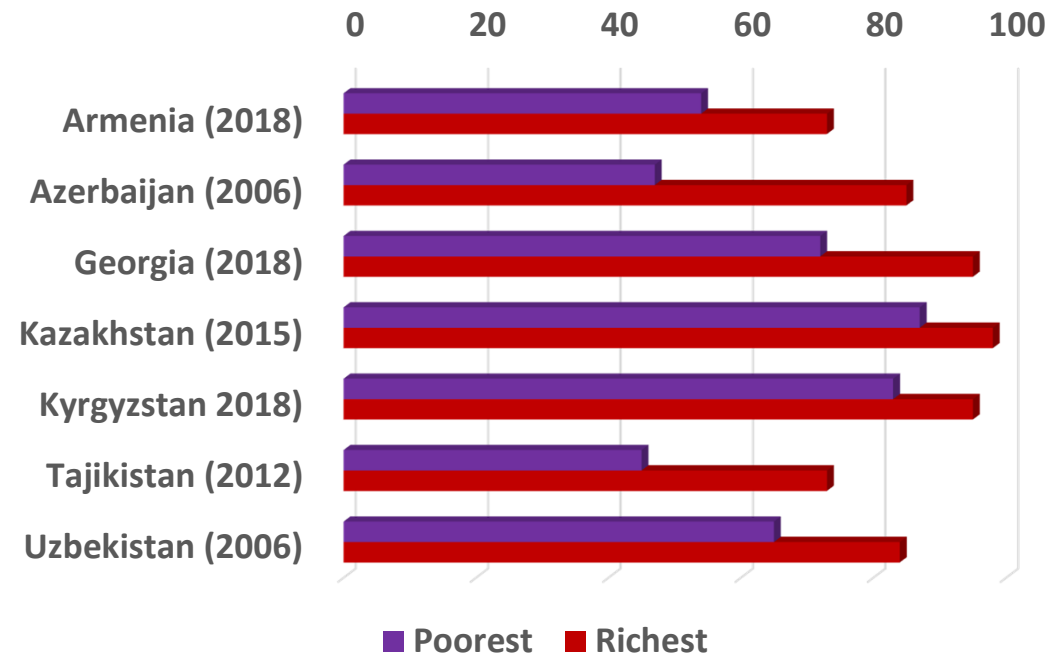
- Rich & poor
- Rural & urban
- Over- and undereducated
- Boys & girls

Two fault lines of persistent inequality

Fewer rural than urban boys and girls complete secondary education



The poorest boys and girls are less likely to finish secondary school than the richest

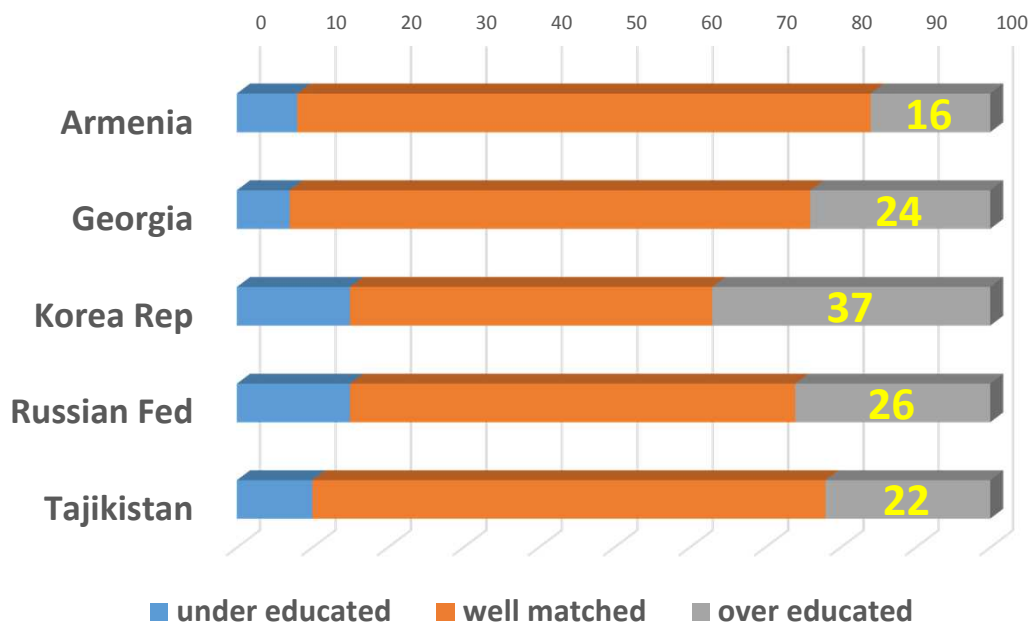


But the education system could better prepare young people for the labor market...

... and girls' education prepares them for a different labor market than boys'

The education system could better prepare young people for the labour market, and girls' education prepares them for a different labour market than boys'

Over- or under-educated for their jobs? ILO data



ILO collected data on 114 countries on the over- and under-educated in the labour market

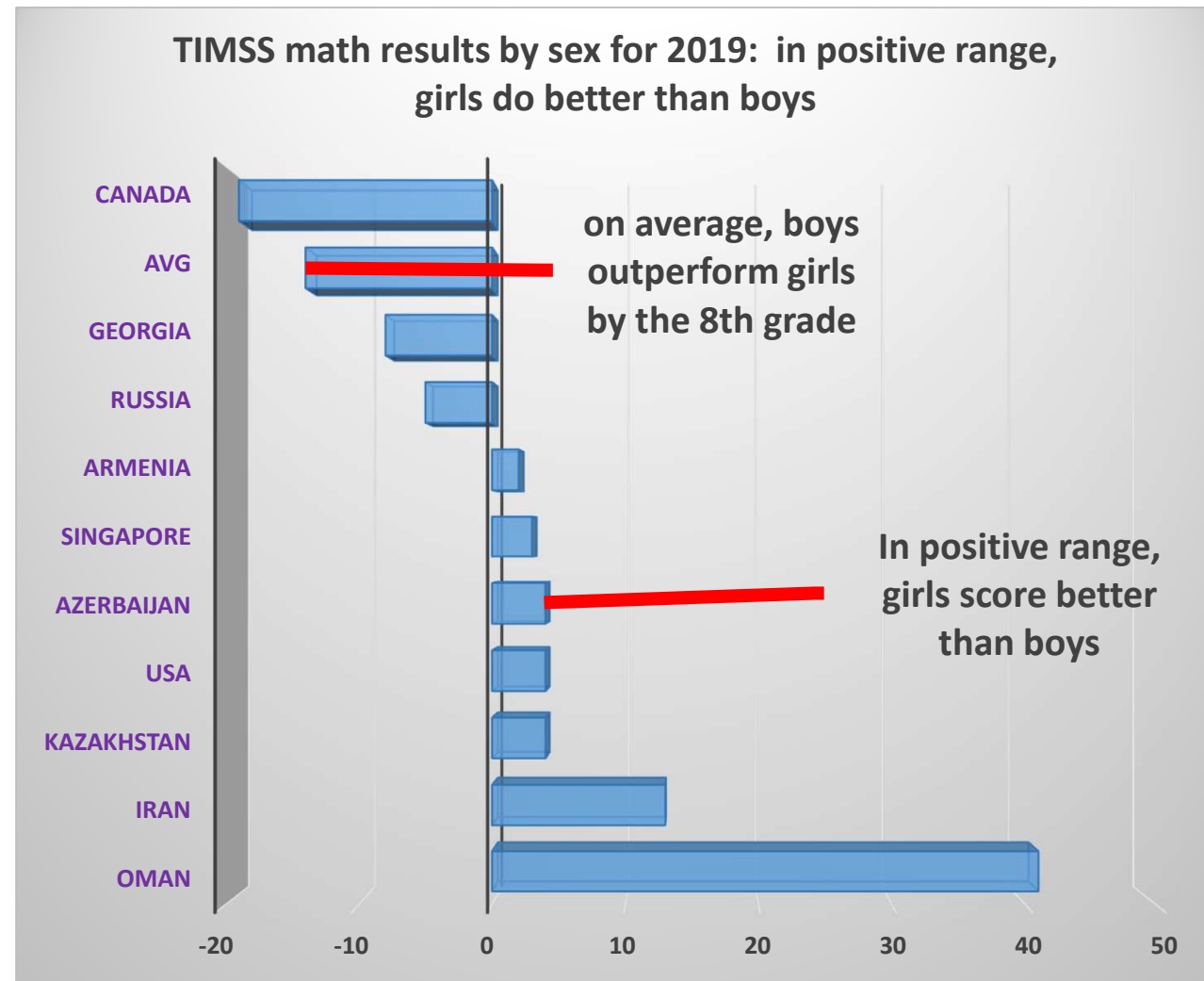
- 258 million are over-educated, but 677 are under-educated for their jobs
- In 46% of the countries, the total educational mismatch is over 50%
- In 74% of the countries, under-education dominates the mismatch
- **Central Asian countries stand out for their relatively high share of over-educated relative to their level of economic development**

International maths tests in high school across selected countries (TIMSS)

How to read this:

The vertical axis at «0» means that boys and girls do equally well in math.

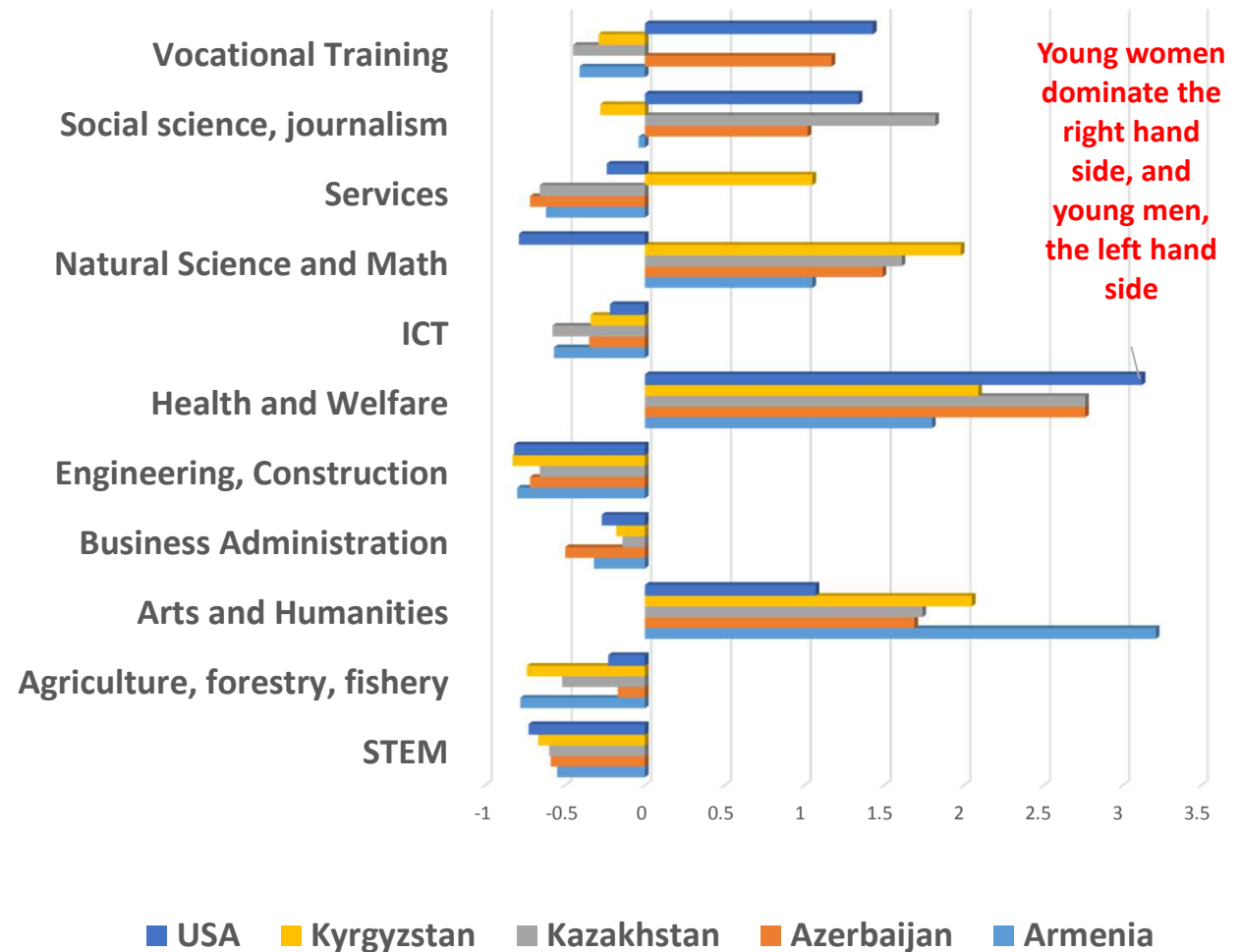
In Azerbaijan, the ratio of girls scoring better than boys is 1.04



Relative equality of educational enrolment does not mean that boys and girls study the same subjects

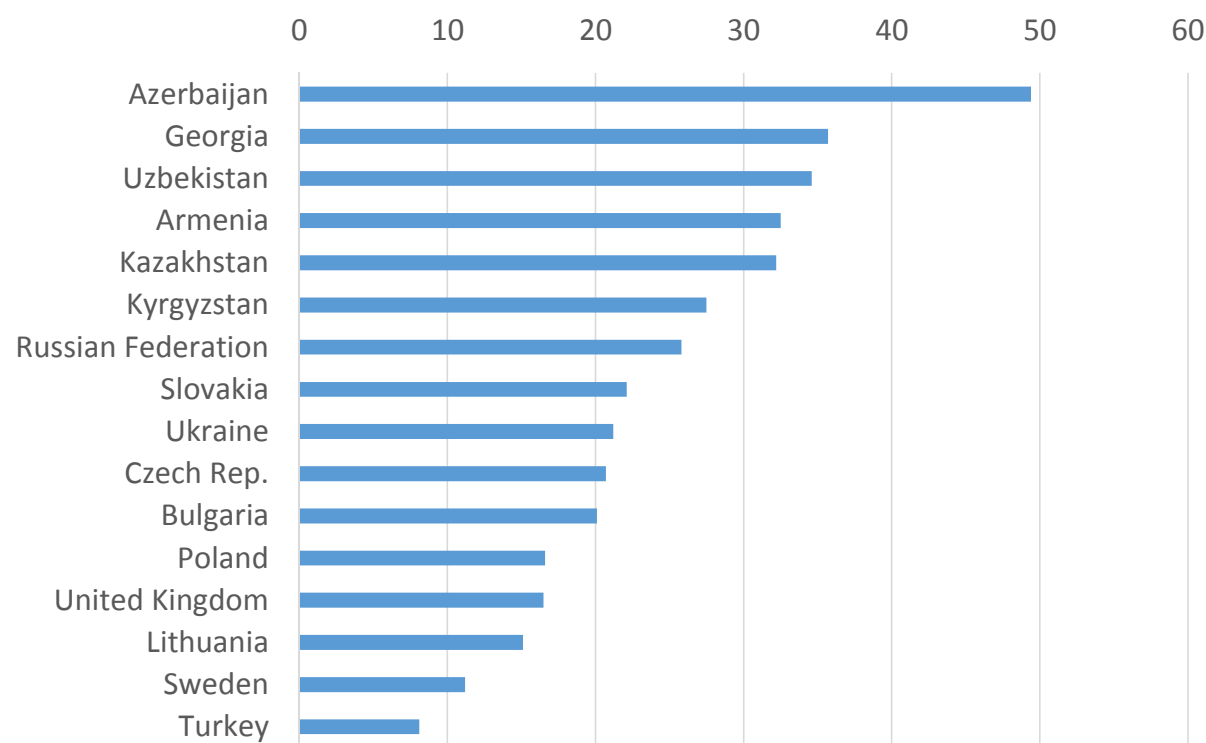
Read of graph: In Kazakhstan, the ratio of women to men studying social sciences and journalism is 1.8, and it is 0.66 for engineering and construction.

Girls outnumber boys in some disciplines

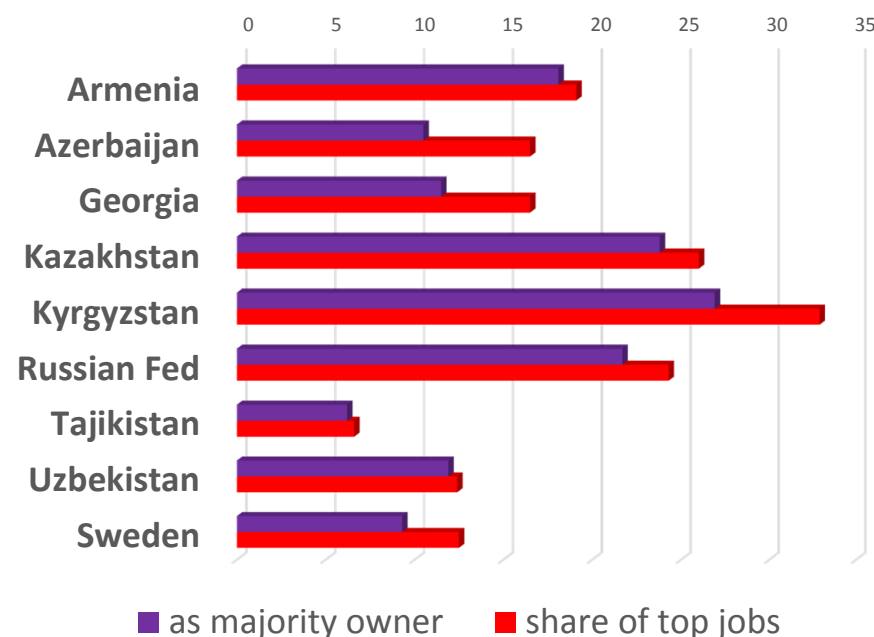


Around the world, there is a wage gap between men and women, likewise in senior positions – differences in education do not fully explain this !

Women's monthly wages as % of men's, 2017 or latest
(UNECE)



Women trail in business ownership and senior management jobs -- everywhere



Schooling  the world of work:

not always an easy transition

Priority concerns in vocational training reform and in the school-to-work transition

Most countries in the region do not make enough use of apprenticeships and internships

Most countries have not quite finished adopting Occupational Standards and appropriate certification

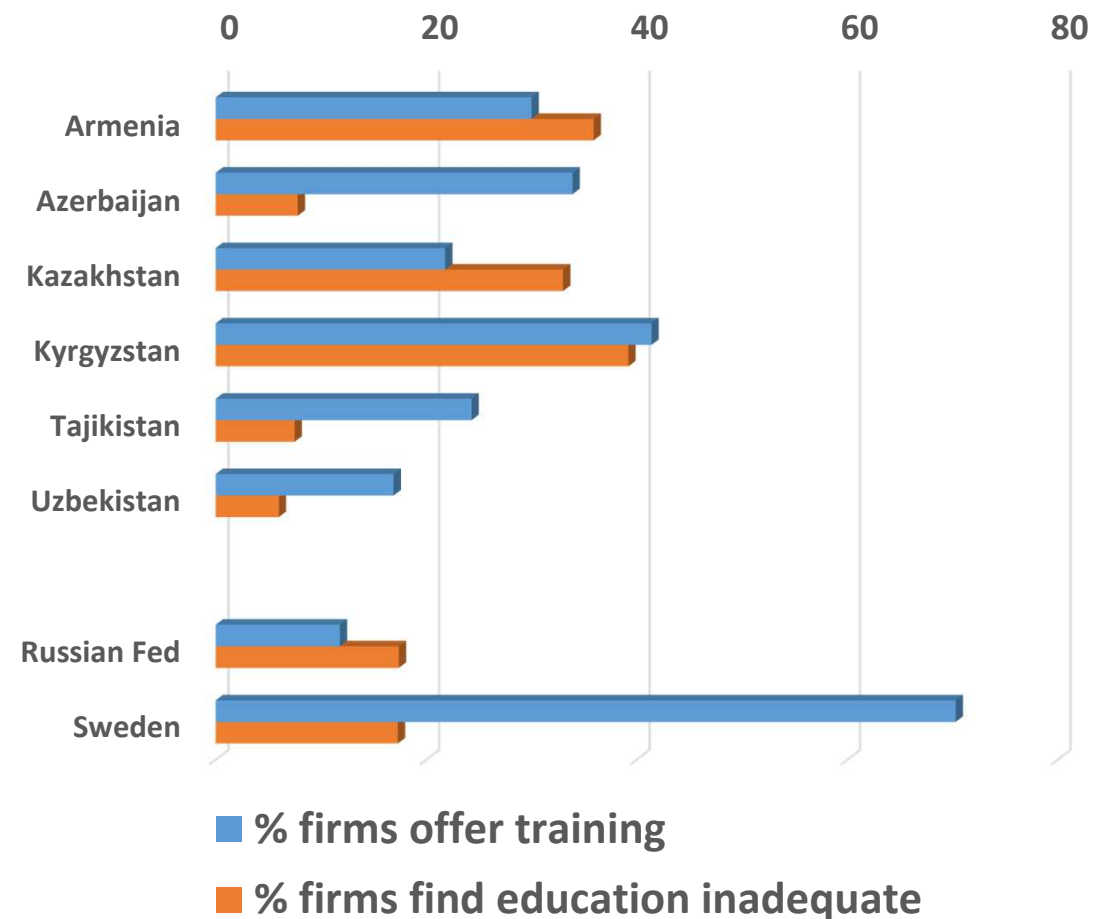
Countries need to devolve their vocational training efforts to the sector level – and need much greater involvement of the private sector, with worker's organisations and training providers

Countries are still working on the adoption of National Qualifications Frameworks

Countries need to step up career guidance given to those entering or re-entering the labour market, combined with availability of training opportunities

Countries need to focus more on skills in demand and anticipate future demand

Do firms train? and what do they think of the adequacy of their employees' education?



The Knowledge Economy

at its simplest, «a knowledge worker is a person whose work involves handling or using information»

or, someone whose job it is «to think for a living»

The importance of education for labour market opportunities is on the rise

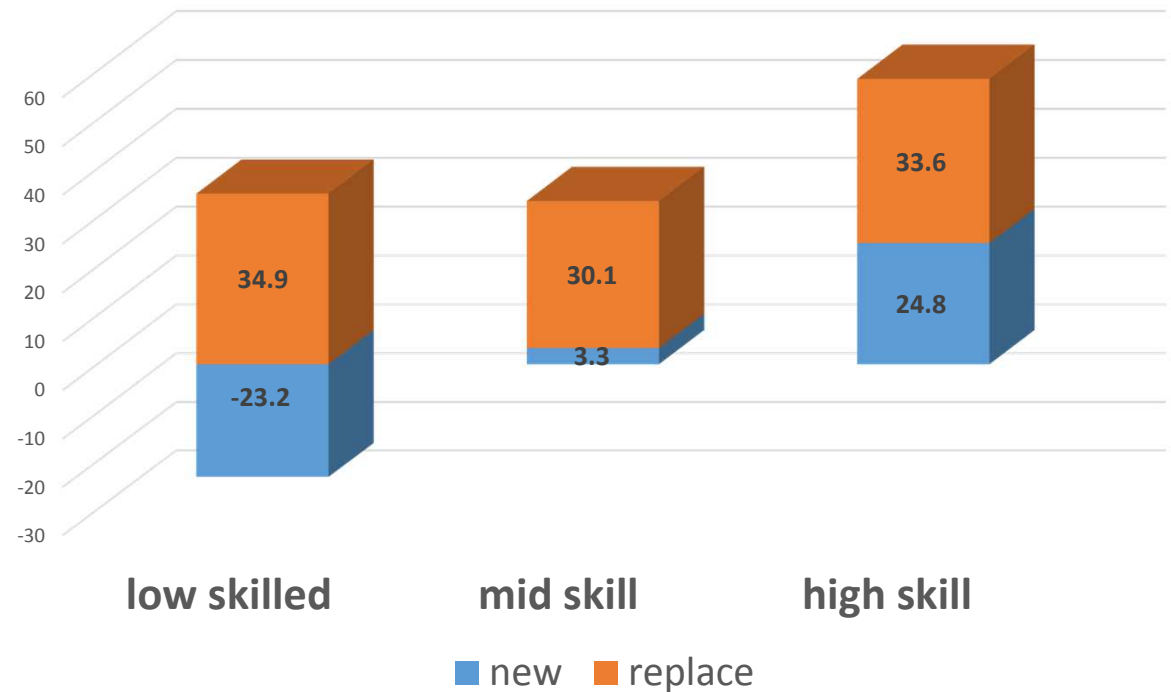
In the EU27, the unemployment gap between the least and the most educated widened between 2000 and 2018 from 5.8 % to 8.6 %,

This has been gradual, but the trigger date was the financial crisis of 2009,

Low-skilled unemployment shot up from 11 to 18 % And has since failed to decline by much

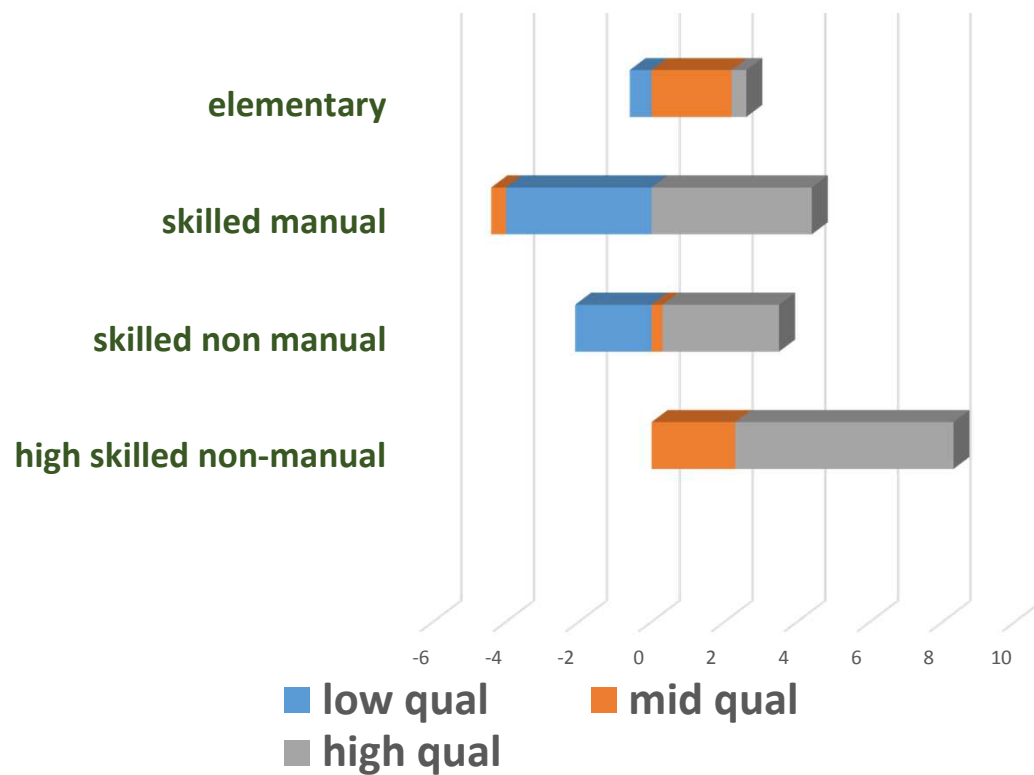
the pay gap is widening too

Change in demand by skill level in EU27, 2010-2020 (%)

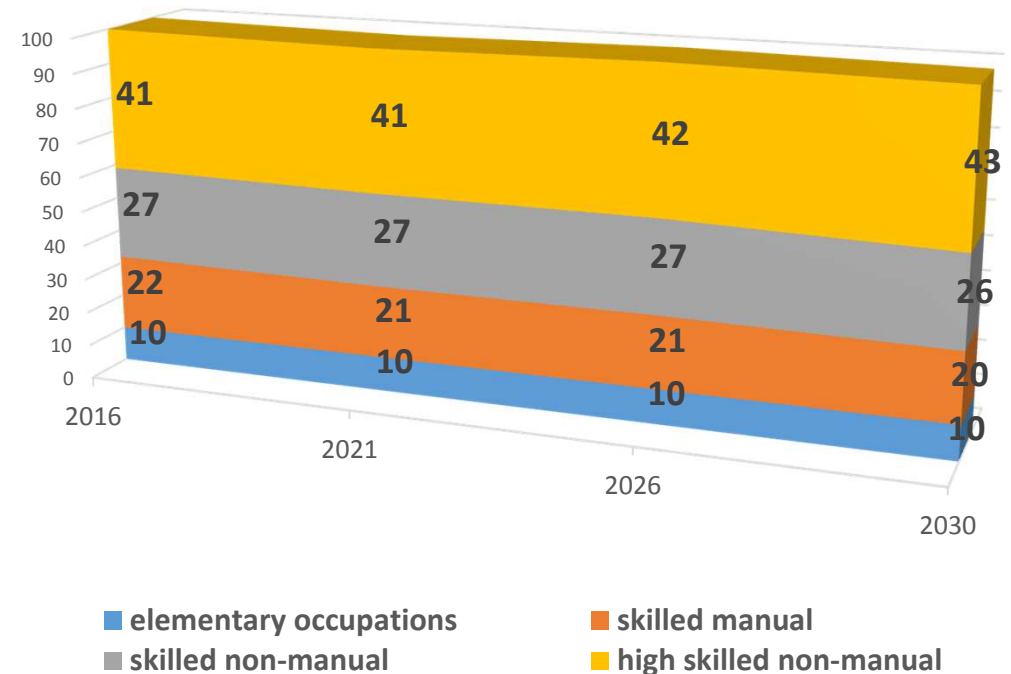


Job growth is highest for high skilled occupations held by those with highest qualifications (CEDEFOP data)

EU job growth by skill content of job and qualification of worker, 2010-20, in millions

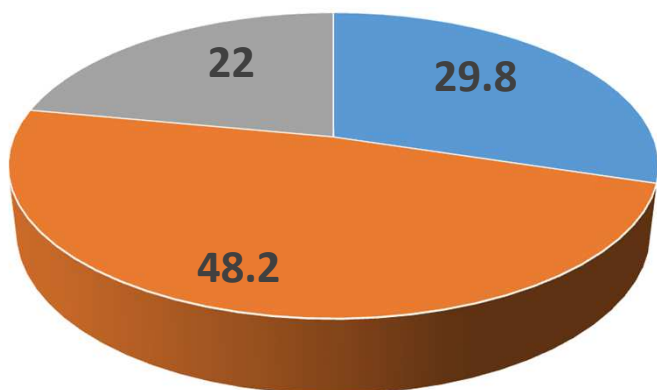


the demand for skills in 2030 in 31 European countries -- CEDEFOP



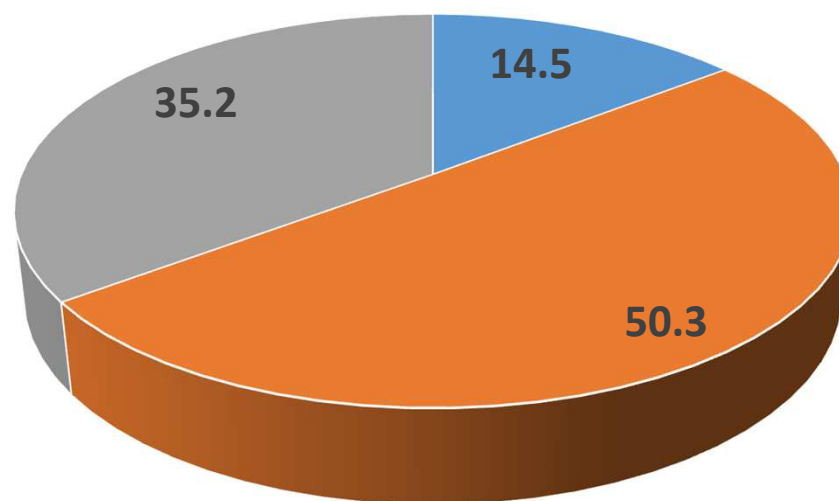
New technologies weigh on demand for higher skills

the share of EU jobs by skill level in 2000



■ low skill ■ mid skill ■ high skill

.... And today



■ low skill ■ mid skill ■ high skill

We've looked at «who learns»... what about:

- What they learn?
- How they learn?
- When they learn?
- and, Where they learn?

it is not only what is taught, but how learning occurs. A new focus on problem-solving, creativity, and competence-based learning – as in Uzbekistan's Second Strategic Plan for Education – is a promising path

Some final comments:

- A shift from «what to learn» to «how to learn» is apparent in Uzbekistan's focus on «competence-based learning» and problem solving, rather than memorizing facts
- Knowledge creation is interpersonal: a focus in «soft skills» such as listening and cooperation are as important as what you know
- Azerbaijan's focus on life-long learning is a response to the more rapid pace of skill obsolescence: «when you learn» is not age-dependent
- Nor is «where you learn», as the Covid-19 pandemic has taught the world