Skills and Future of Work: Challenges and issues

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This presentation

- Some global drivers of change
- Impact on skills
- What it means for skills development
- Based on work which contributes to the current debate on FoW
Driver of change:
Technology and innovation

- The pace of change
- Not only robotisation
- The internet of things
- 3d printing /AM
- Infrastructure innovation projects
- Interdisciplinarity (e.g. biotechnology)
The wrong question: how many jobs are at risk?

- Half in advanced economies (Frey, Osborne 2013),
- Asia - around 56% (ILO, 2016)
- Some argue – potentially all
- Automatable ≠ will be automated
- Not likely any time soon in developing countries
- **Opportunity**: one tech job generate 5 indirect jobs!
- Tasks and skills that change
Technology and innovation: Skills impact

- Which skills will secure jobs?
  - STEM skills at all levels
  - ICT and coding skills
  - Skills that help to adopt, operate and maintain technologies
  - Skills that help to create a business case, market and manage technologies adoption

Creativity

Social skills (interaction, care)

Non-automatable high-manual dexterity tasks

Mitigate the negative impact of job losses

Source: ILO modelled estimates, 2016
Driver of change: Demographic change

- Slowdown in working-age population growth
- But the pace of labour force growth outstrips job creation
- 71 million young people worldwide are unemployed
- 40 MIO people enter labour market annually: between now and 2030 - 600 MIO new jobs needed to keep current employment rates (majority of them in Asia and Sub-Saharan Africa) (WDR 2013)
- The developed world is ageing fast
- Workers of the future are older workers
- Labour shortages are expected
Demographic change: skills impact

- The global competition for talent
- Higher global mobility of labour expected
- Growing skills mismatches and economy slowdown – result of aging
- Lifelong learning
- Activation measures (older workers, women)
- Shortage of labour predicted, especially trained in upper secondary TVET and tertiary education degrees
- Skills availability is a challenge to attract investors and create jobs
Driver of change: 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
Globalization and trade: skills impact

- 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.
Other drivers

- Change in work organisation
- Mobility of labour
- Transition to environmental sustainability and a low carbon economy
- Educational attainment
Skills development systems

- Foundation skills. Basis for LLL!
- LLL and access – financing and incentivising employers and individuals.
- Core work skills – transferable and employability skills! Can’t be «taught». Not prioritised by systems.
- Having a profession increases employability. TVET – new universal basic?
- More role of the private sector to develop job specific skills? (but what about «virtual» workers?) Incentives for workplace learning.
- Role of MOOCs and digital learning platforms vs role of schools.
- Teachers’ training! Are they ready for blended learning?
- Competency standards and NQFs: the more advanced, the heavier. What will be the strategy of standardisation of learning outcomes?
- Future talent pipeline requires much more flexibility in skills delivery. Refashion modularised training?
Skills development systems

- A pressure on skill needs anticipation but is the task doable? Can real time / big data help?
- Foresight – a change management tool
- Social dialogue – the means to understand and mitigate the change
- Sectoral approaches: a way to establish a dialogue between the WoW and training
- ALMPs – low skilled, job seekers (beyond the unemployed!), disadvantaged groups
- Skills utilisation: measures to retain, recognise and attract talent go way beyond skills measures
A feedback loop

Jobs

Skills

“No, you back off! I was here before you!”
Coordination!

Global drivers of change

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

Skill demand

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

Skill supply

MISMATCH

- 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
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

Anticipating future skills needs is recognised as the first building block of the G20 Training Strategy
Thank you!

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