

# Promoting economic diversity in Ukraine:

## The Role of Skills in the Basic Metal and Metal Processing Industry

*Larisa Lisigor (ILO)*  
*Kiev, March 11, 2010*



# [ Where are the bottlenecks? ]

Pre-crisis pattern:

Ukraine exports grow with global demand;  
no strong pattern of increasing market  
shares.

Where is the bottleneck?

- General enabling environment?
- Bottlenecks specific to linkages to global markets?
- Skill related bottlenecks?

# [ Skill related bottlenecks? ]

- Signaling skill demands
- Employer involvement in training/education design
- Strengthening the link between the labour market and the VET system
- Increased responsiveness of the VET system

# Skills

## evidence of mismatch

- BEEPS survey: inadequately educated workforce is moderate problem for 33% of surveyed enterprises in basic metal manufacturing and one of the most important obstacle for 51% of employers in fabricated metals sector;
- In 2008 in Donetsk and Dnepropetrovsk regions: number of applications eight times higher than number of vacancies, but positions remained open for up to 12 months

Skills

## Responsiveness of skill supply

Rapidly changing demand for skills in globalized world:

Interviews with employers in France revealed that business finds it hard to predict own skill needs one to two years ahead.

Skills

Responsiveness of skill supply

Responsive system requires:

Examples exist in  
Ukraine

- Employer involvement in VET
- Collaboration among relevant government agencies
- Certain level of autonomy of training/education institutions