Employment policies for a job-rich recovery and a better future of work  
Fourth ILO Employment Policy Research Symposium  

Session 4: LABOUR MARKET DATA GAPS ON SKILLS NEEDS  

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General data gaps on skills

• Skill needs, especially future skill needs
• Financing of education and training by type and level
• Participation: enrolments, graduation and drop out rates
• Adult learning – participation, funding
• Work-based learning, apprenticeship training
• All of the above by sex, age, migration status
Use of results of skills needs anticipation and assessments

Policy formulation

Design/update of competency standards

Matching skills & jobs and career counselling
How to measure a skill?

Testing a skill? (competencies)

Proxies:
- Occupations
- Jobs / job tasks
- Qualifications
- Education / training type / subject / level
- Vacancies

Skills Supply:
What skills are, or will be available in the labour market in terms of the number and structure of the labour force:
- Stock: Labour force and skills available on the labour market
- Flows: currently in studies, expected to graduate; returning to the labour market.
- Data on: population, enrolments, graduates, job seekers...

Skills Mismatch:
Imbalances between supply and demand of skills
- Unemployment by skill level
- Skills-shortage and hard-to-fill vacancies
- Skill shortage
- Qualification mismatch
- Skills gaps
- Skills obsolescence
- Horizontal mismatch
- Vertical mismatch
- Over/under-qualification

Skills Demand:
Which skills are needed, or are likely to be needed in the future in the labour market
- Expansion demand: caused by economic growth
- Replacement demand: caused by people leaving the labour force
- Data on: employment by sector/occupation/education
- Job vacancies (available jobs) and jobs-to-come,
- Job-task skills requirements
Key data gaps for skill needs measurement in low and middle-income countries

- Irregular or non-existent Labour Force Surveys; short time series, small samples.
- Education admin statistics of low quality
- No record on adult learning, work-based learning, apprenticeship training
- Surveys among establishments (ESS) or individuals (STWT) are only ad hoc
- No or poor vacancies data. Online job adds (Big Data) have very little coverage in relation to developing countries labour markets due to high informality and high share of blue-collar occupations
- PES rarely collect regular data for matching
- No data on wages or pay
- Tracer studies only ad hoc
- No skills taxonomies that would measure skill and bridge this information with occupations
Obstacles in further development of skill needs activities, (% national ministries)

- Lack of funds
  - Low/middle income: 35%
  - High income: 80%

- Low reliability and accuracy in past exercises
  - Low/middle income: 13%
  - High income: 40%

- Lack of interest/support by policy makers
  - Low/middle income: 17%
  - High income: 44%

- Poor statistical infrastructure
  - Low/middle income: 39%
  - High income: 64%

- Difficult/lack of coordination with other agencies involved in skill needs assessments
  - Low/middle income: 39%
  - High income: 76%

- Lack of human resources with relevant knowledge and expertise
  - Low/middle income: 39%
  - High income: 80%

- Other
  - Low/middle income: 36%
  - High income: 35%

Essential components of skills needs anticipation system

Institutional Mechanisms
- Policy coherence
- Social dialogue
- Coordination

Analytical capacity
- Quality research
- Robust methodology application
- Making sense of different pieces

Methods & Tools
- Quantitative and qualitative
- Combine in a complementary way

Data
- Data availability
- Data access
- Data flow

Labour Market Information (LMI)
Skills needs assessment and anticipation
Key challenges emerging from 5 mapping exercises in Africa

- Lack of regular, representative, reliable, good quality data collection and its reporting/dissemination.

- Lack of involvement of social partners along with relevant ministries at all stages of data collection

- Inadequate capacities of LMIS players to effectively collect, analyse, interpret and validate

- Governance for LMIS does not fully exist as institutions are fragmented, implementing interventions separately and often working in silos in an uncoordinated manner,

- Weak link between education system and industry; Inadequate adaptation of the vocational and technical training system to the needs of the productive sector.

- Underdeveloped network of public employment services, low institutional and resource capacity of employment services to support job seekers and employers.
Potential solutions to the challenges

- Strengthening coordination and institutional platforms linking to the broader skills governance system
- Strengthening capacities of institutions responsible for data collection (such as NSOs, PES) and analysis
- Increased investment in data and analysis collection methods
- Apply more qualitative approaches, sector level research, foresights – with the direct involvement of social partners
- Using digital technologies for systematic feedback (ILO’s Service Tracker)
- Adapting existing analytical methods and indicators to developing countries
- Combining big and “small” data
- Adapting methods quickly to new situations, such as COVID-19.
Adapt the approach and extend the database to low and middle income countries.

In future: dropping some elements, adding big data, using other than O*NET US taxonomy.

Details on skill content from O*NET\(^1\) used to map occupation shortage/surplus to skills.

**Composite indicator to measure skill mismatches**
1. hours worked
2. employment growth
3. hourly wage growth
4. proportion of underqualified
5. unemployment rate

**Adapting Skills for Jobs indicator for low and middle-income countries**

Adapt the approach and extend the database to low and middle income countries.

In future: dropping some elements, adding big data, using other than O*NET US taxonomy.

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\(^1\)Occupational Information Network (O*NET) developed by the US Bureau of Labour Statistics
Experimenting with data integration: Skills for a Greener Future - Energy sustainability scenario, 2030

Quickly adapting to COVID-19: ILO Rapid Assessments of reskilling and upskilling needs due to the COVID-19 (2021)

Implemented online/ by phone

Reasons for facing difficulties in delivering training

Note: Data used for 9 African countries - 5029 individuals and 1801 employers
ILO skills needs anticipation resources

Find more at: https://www.ilo.org/skills