



# Globalizing labour markets: pathways for VET, skills, and industry

**Paul Comyn**

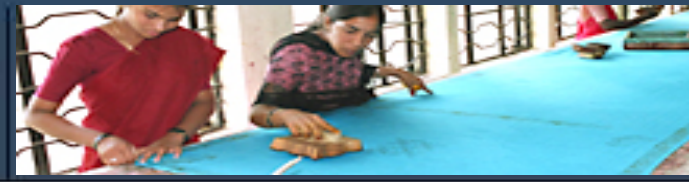
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# Employment and Skills: Trends and Future Challenges

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Skills



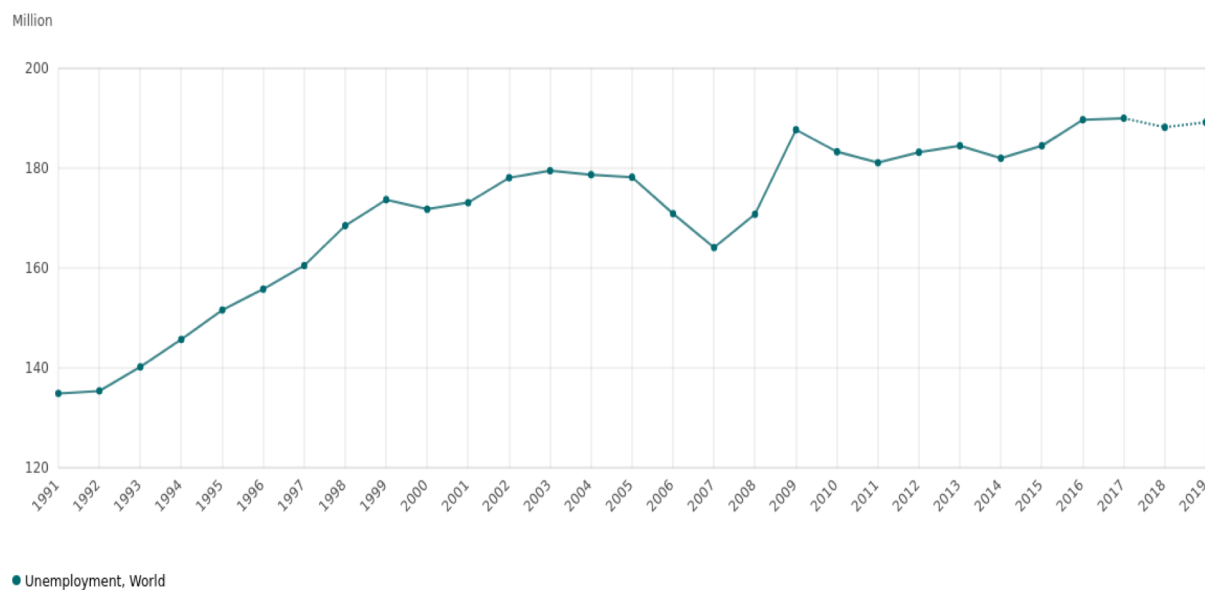


## This presentation will.....

- ◆ present the current employment situation and projected trends;
- ◆ consider the main global drivers of change with a particular focus on globalisation;
- ◆ reflect on the changing nature of work and jobs;
- ◆ consider the likely impact on skills and skill systems;  
and
- ◆ introduce the ILO Future of Work Initiative.



# Global unemployment remains stubbornly high



This dataset is harmonized and may, therefore, differ from nationally reported data. Data for 1991-2017 are estimates while data for 2018-2019 are projections.  
Source: International Labour Organization, ILO modelled estimates (ilo.org/wesodata)

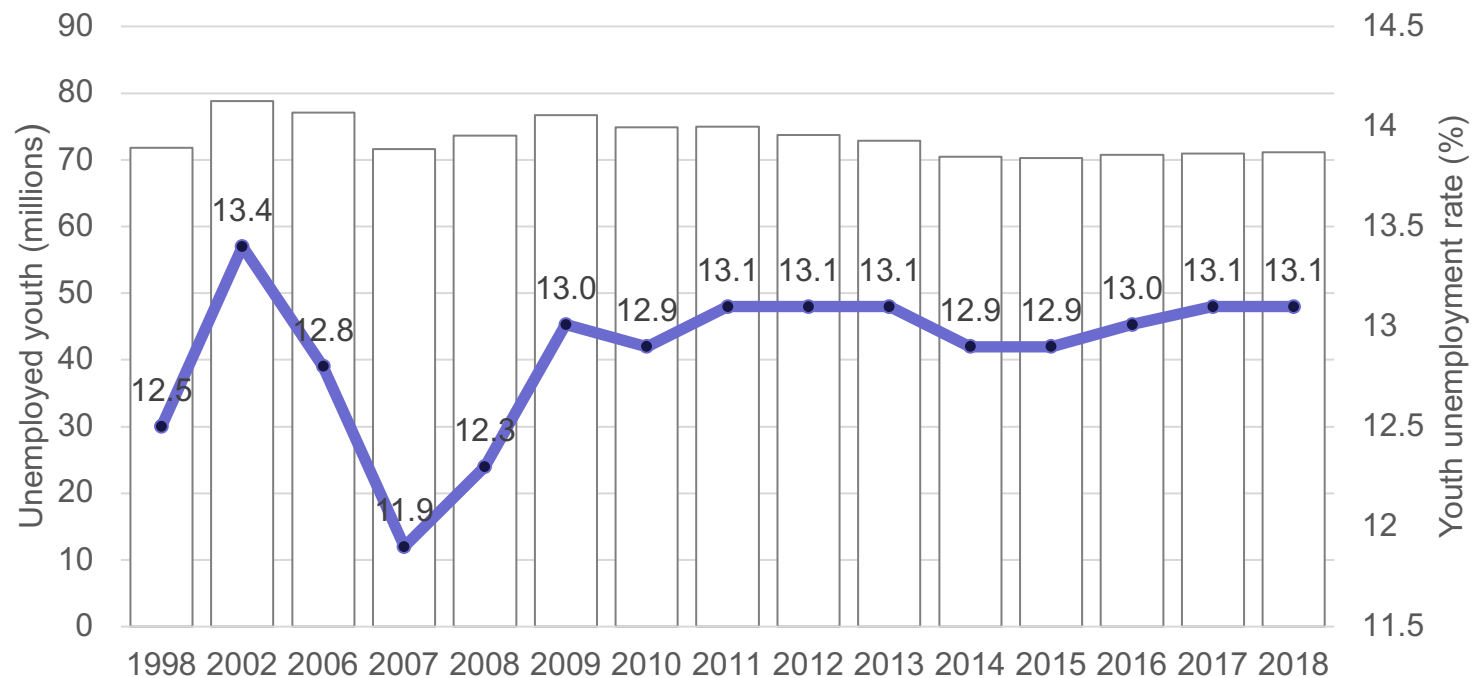
ILO (2018) World Employment and Social Outlook







## Global youth unemployment



ILO (2017) Global Employment Trends for Youth

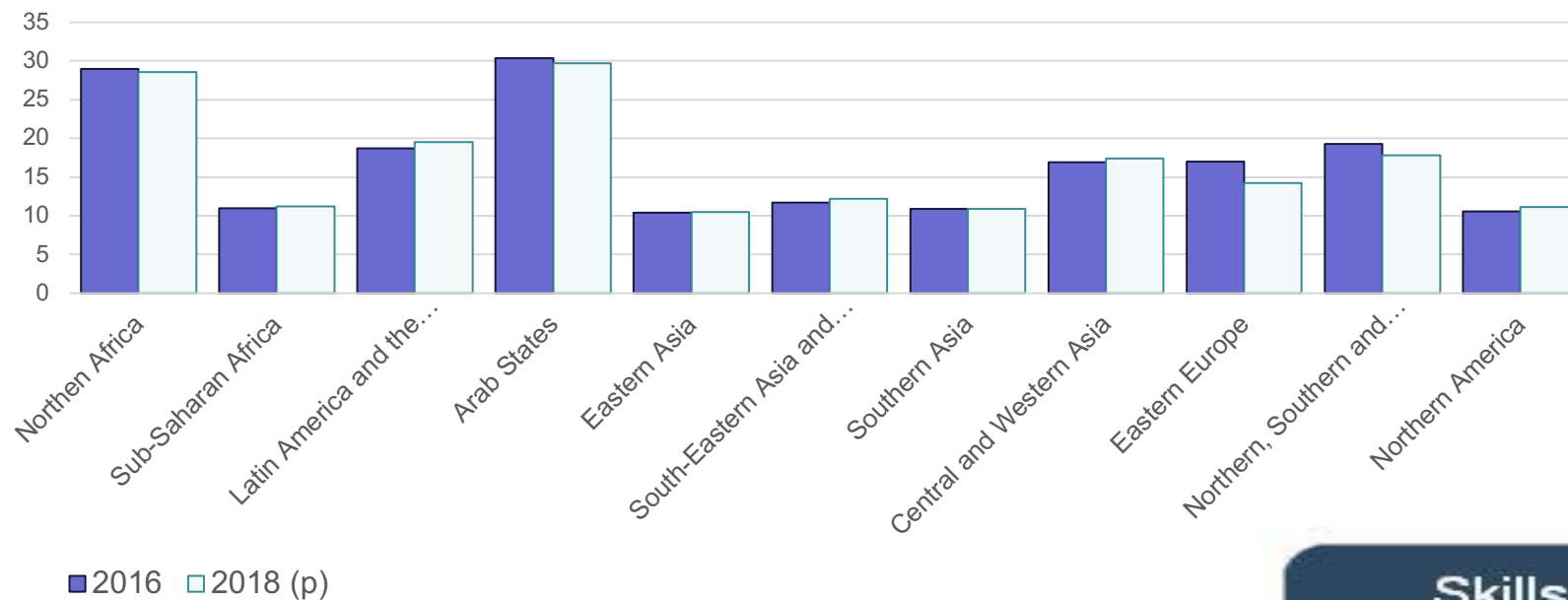
The **global unemployment rate** has remained stable at around 13 per cent **since 2009** but important regional variations exist.





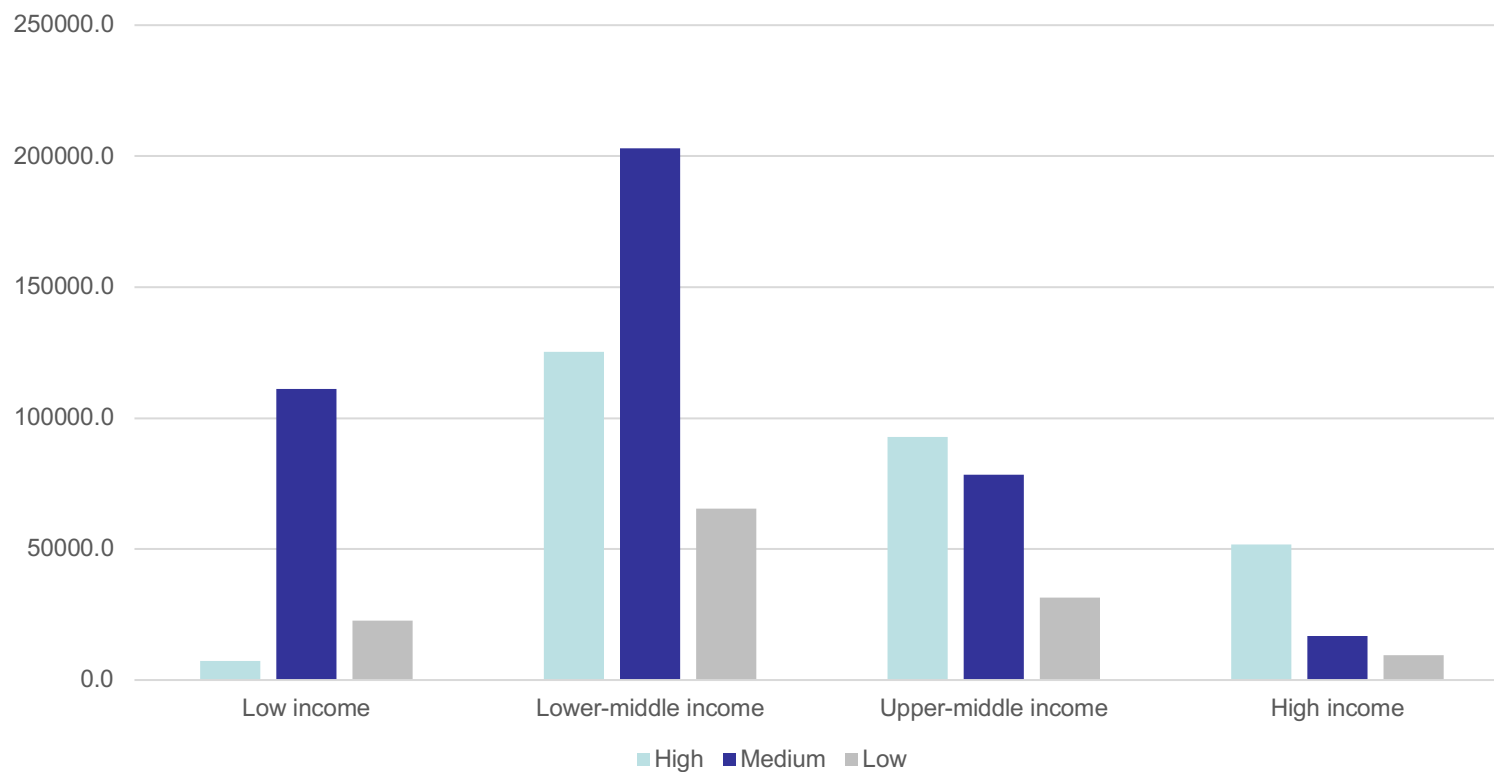
## Regional youth unemployment trends

- Unemployment in Northern, Southern and Western Europe keeps decreasing from record high 23.3% in 2013 to 17.8% predicted for 2018.
- Similar trend in Eastern Europe, from 18.0% in 2010 to a predicted 14.2% in 2018.
- Current female unemployment almost doubles that of males in Arab States (26.3 vs. 49.0%) and is 55% higher in Northern Africa (25.1 vs. 38.8%).





## Employment growth by skill-level of occupations 2000-2022



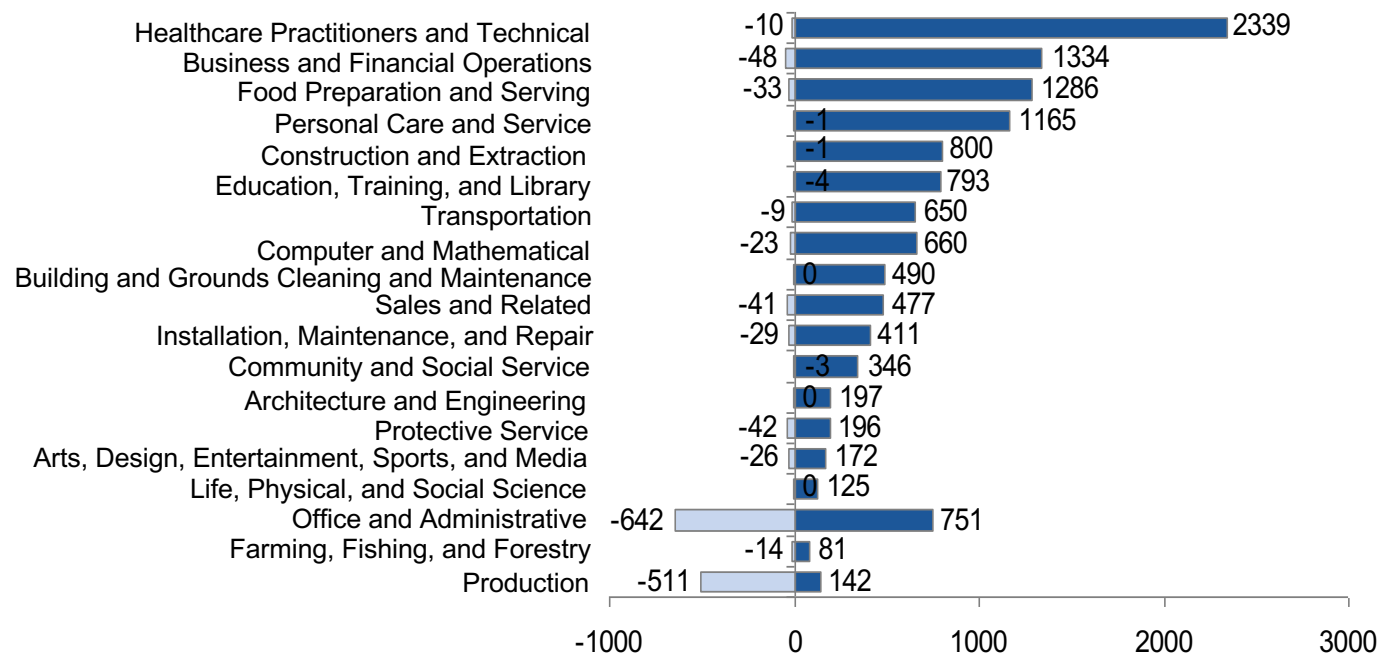
Source: ILO modelled estimates, 2017





# Projections for the US job market

## Job Family



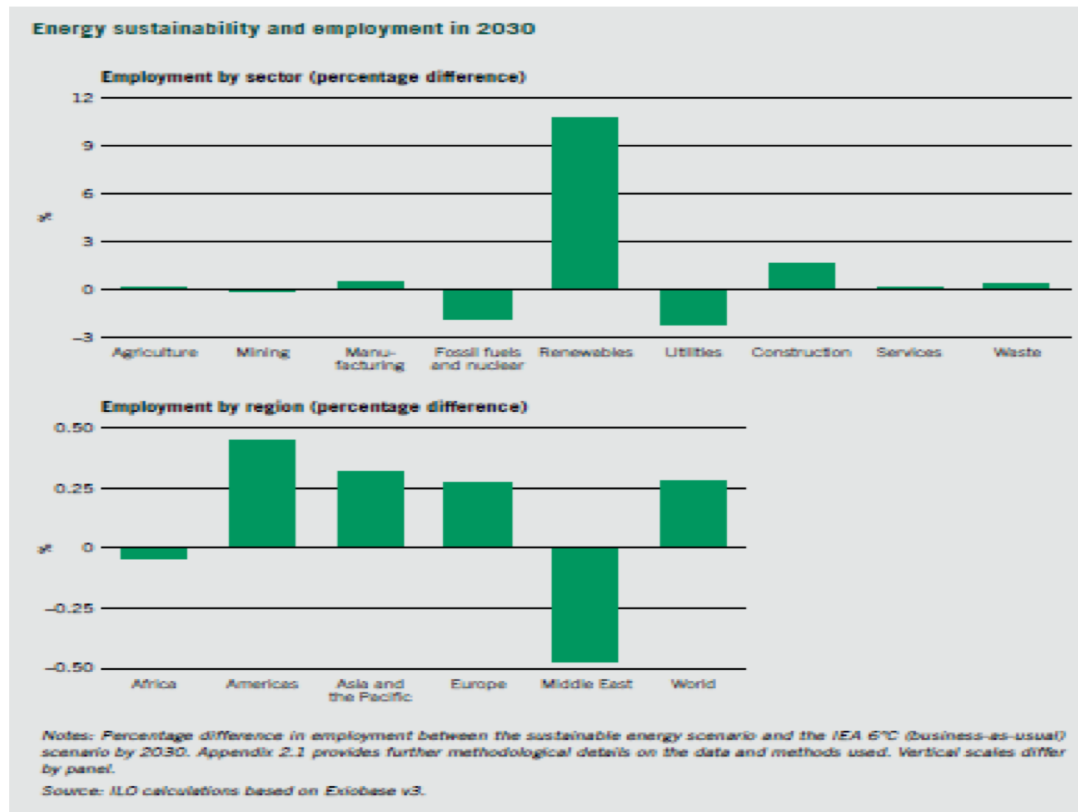
■ Sum of increasing jobs 2016 to 2026
 ■ Sum of declining jobs 2016 to 2026

Note: The figures above exclude 4% of US employment, due to differences in SOC and O\*NET job categorization  
 Source: US Bureau of Labour Statistics 2016





# The transition to a low carbon economy







## Drivers of change

- ◆ robotisation, machine learning and artificial intelligence
- ◆ the internet of things, big data
- ◆ 3d printing / additive manufacturing
- ◆ biotechnology
- ◆ change in work organisation
- ◆ globalisation
- ◆ demographic change
- ◆ migration and growing labour mobility
- ◆ the transition to a sustainable low carbon economy
- ◆ rising educational attainment



dreamstime.com





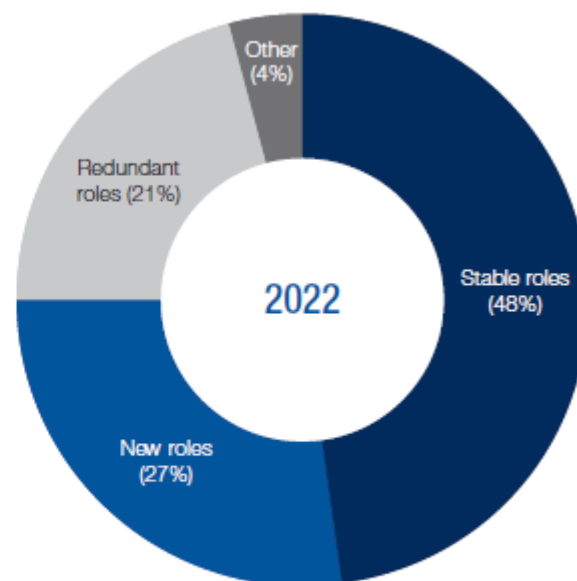
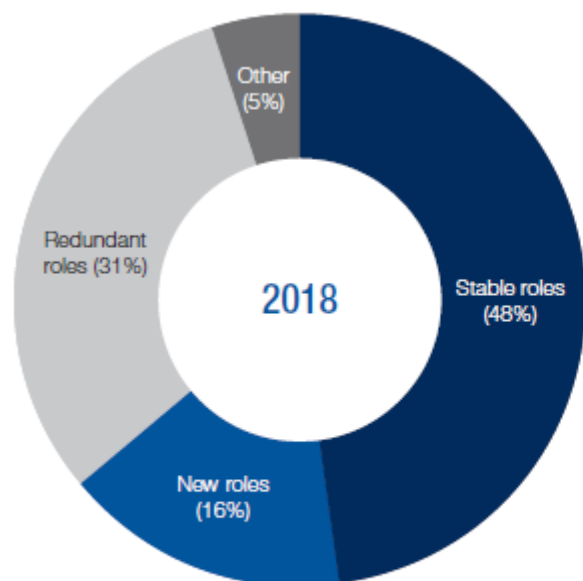
## Are jobs at risk?

- ◆ almost 50% in advanced economies (Frey & Osborne 2015)
- ◆ around 56% in Asia (ILO 2016)
- ◆ a little more than 10% depending on how jobs are classified (OECD 2017)
- ◆ automatable  $\neq$  will be automated
- ◆ jobs  $\neq$  tasks and skills
- ◆ not likely any time soon in developing countries
- ◆ creative destruction
- ◆ opportunities exist: 1 tech job generate 5 indirect jobs





## The Future of Jobs Report A net positive outlook for jobs



Source: Future of Jobs Survey 2018, World Economic Forum.

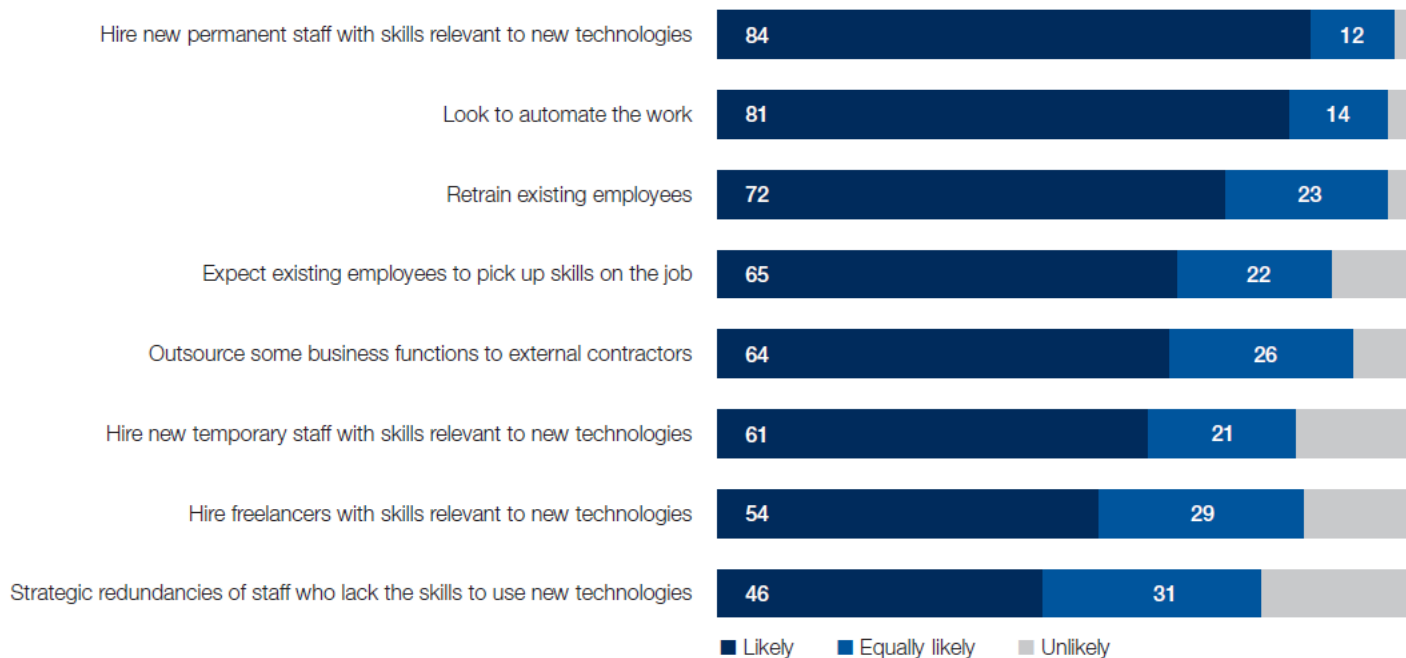






## The Future of Jobs Report

### A change in the quality of employment



Source: Future of Jobs Survey 2018, World Economic Forum.

Note: The bars represent the proportion of responses by companies that stated that specific strategies were likely, equally likely or unlikely. Some companies abstained from answering the question. In such cases part of the bar remains blank (typically, 0-1% in the graph above).

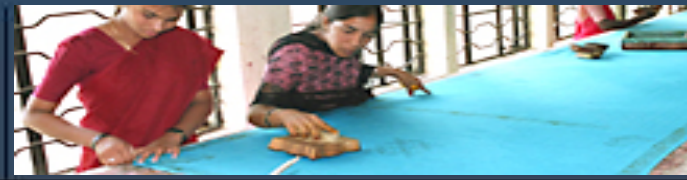




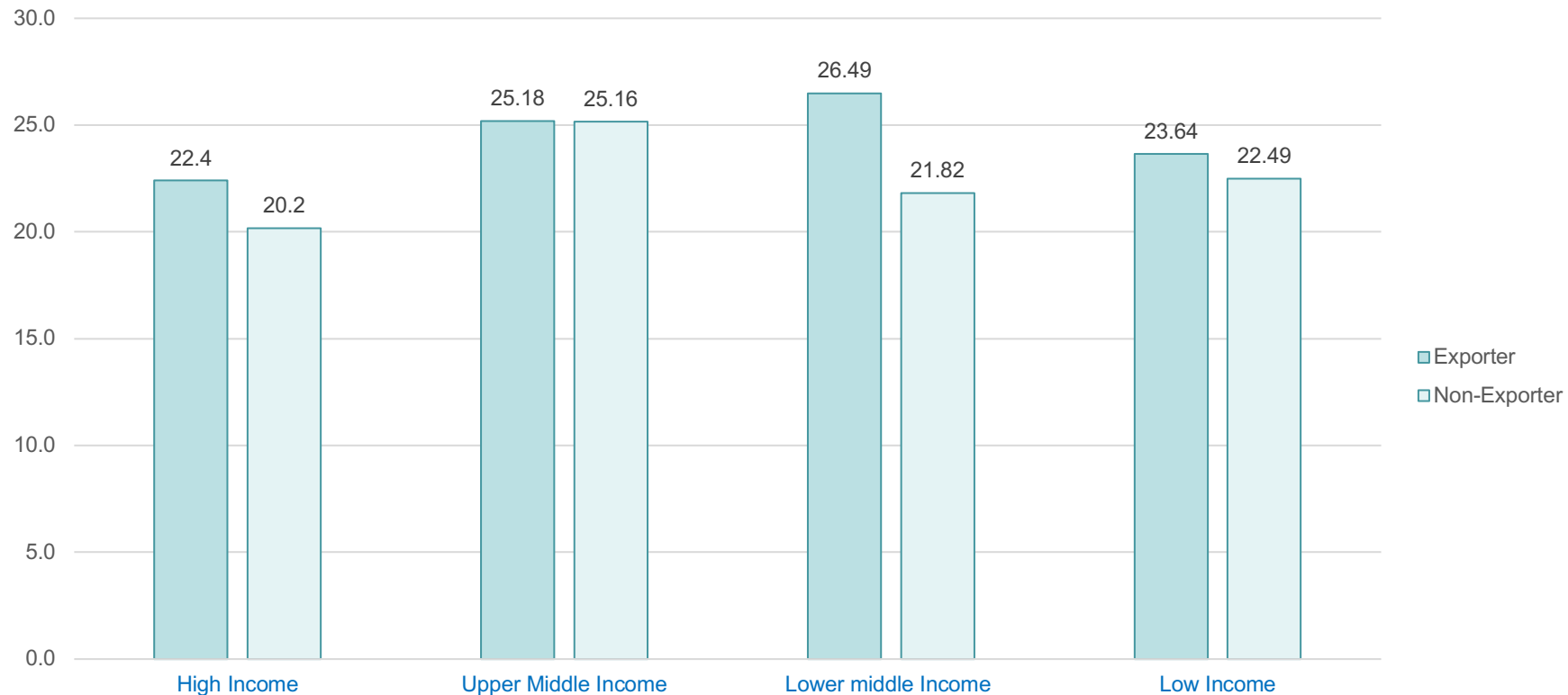
## Globalization, trade and skills

- GVCs, redistribution of work, offshoring and reshoring
- trade openness can promote economic growth and employment creation
- the dispersion of skill levels affects country comparative advantage
- higher skill levels offset the tendency of trade to drive increases in income inequality value chain
- skills affect both the quantity and quality of export growth
- skills affect economic diversification (new products and services, markets, technologies)
- exporting firms tend to be larger, more productive and employ higher skilled labour





## Exporting firms face greater skill constraints



WBES, ILO calculations

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





## Globalization, trade and skills

- targeted skills training in skill intensive sectors that benefit from trade expansion (STED)
- policy coherence between trade and skills development
- 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.
- targeted measures to mitigate unemployment and address equity (gender, youth, aging workers)
- core work skills





## Impacts on skills development

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
- non-automatable high-manual dexterity tasks
- creativity
- social skills (interaction, care)
- learning to learn
- mitigate the negative impact of job losses





## Impact on skills development

- changed vocational areas of activity
- new core qualifications
- shift in occupational profiles and new occupational profiles - task segmentation vs broader profiles
- process occupations/core occupations
- changed organization of teaching / learning process
- “Competition” with the higher education system
- Life Long Learning (LLL) for personnel development and continuing education and training



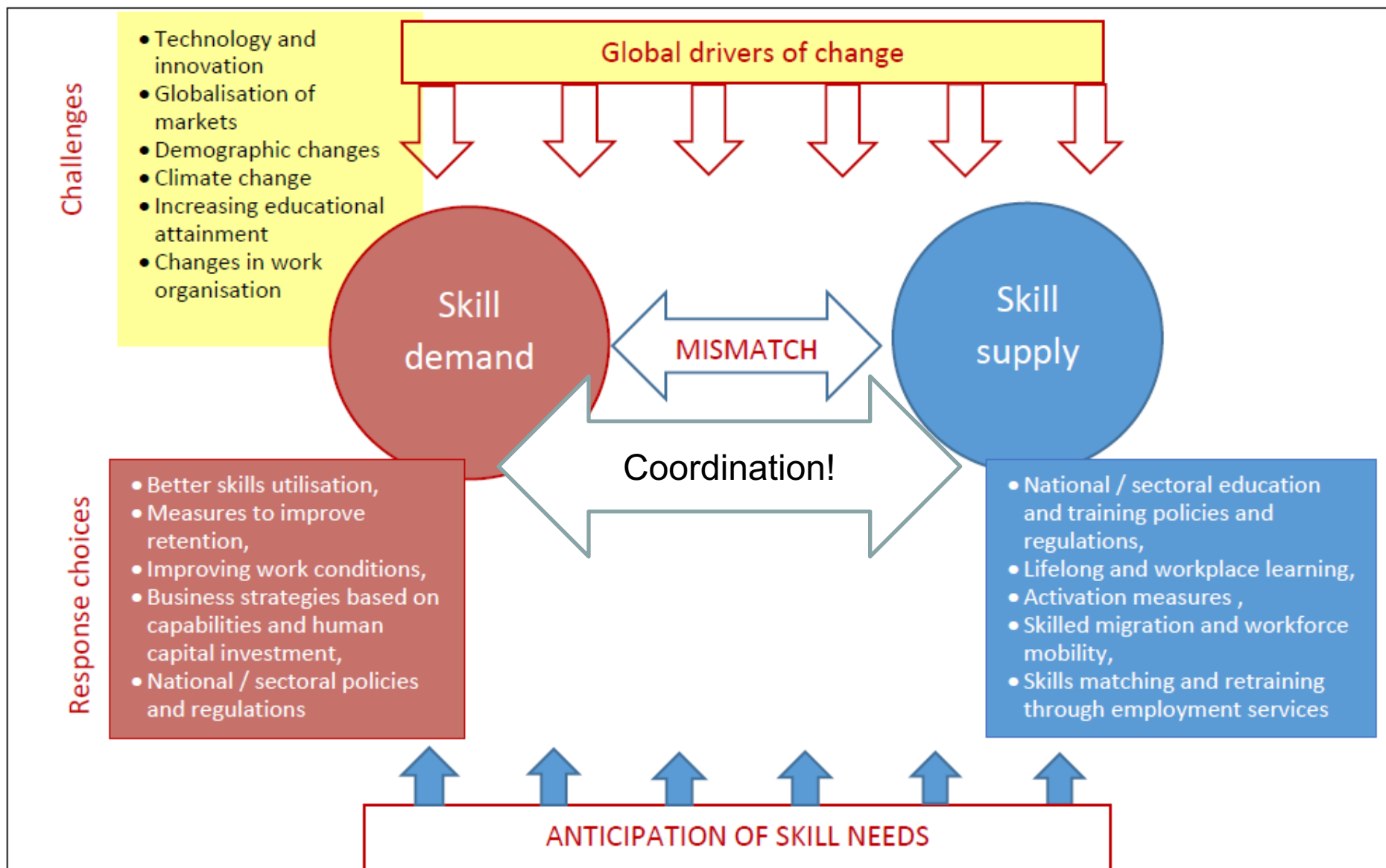




## Impact on skills development

- foundation skills – the basis for LLL
- LLL and access – financing and incentivising employers and individuals
- changing role of the private sector to develop job specific skills
- role of MOOCs and digital learning platforms vs role of schools.
- teacher training - are they ready?
- competency standards, NQFs, credentials - what will be the strategy of standardisation of learning outcomes?
- future talent pipeline requires much more flexibility in skills delivery

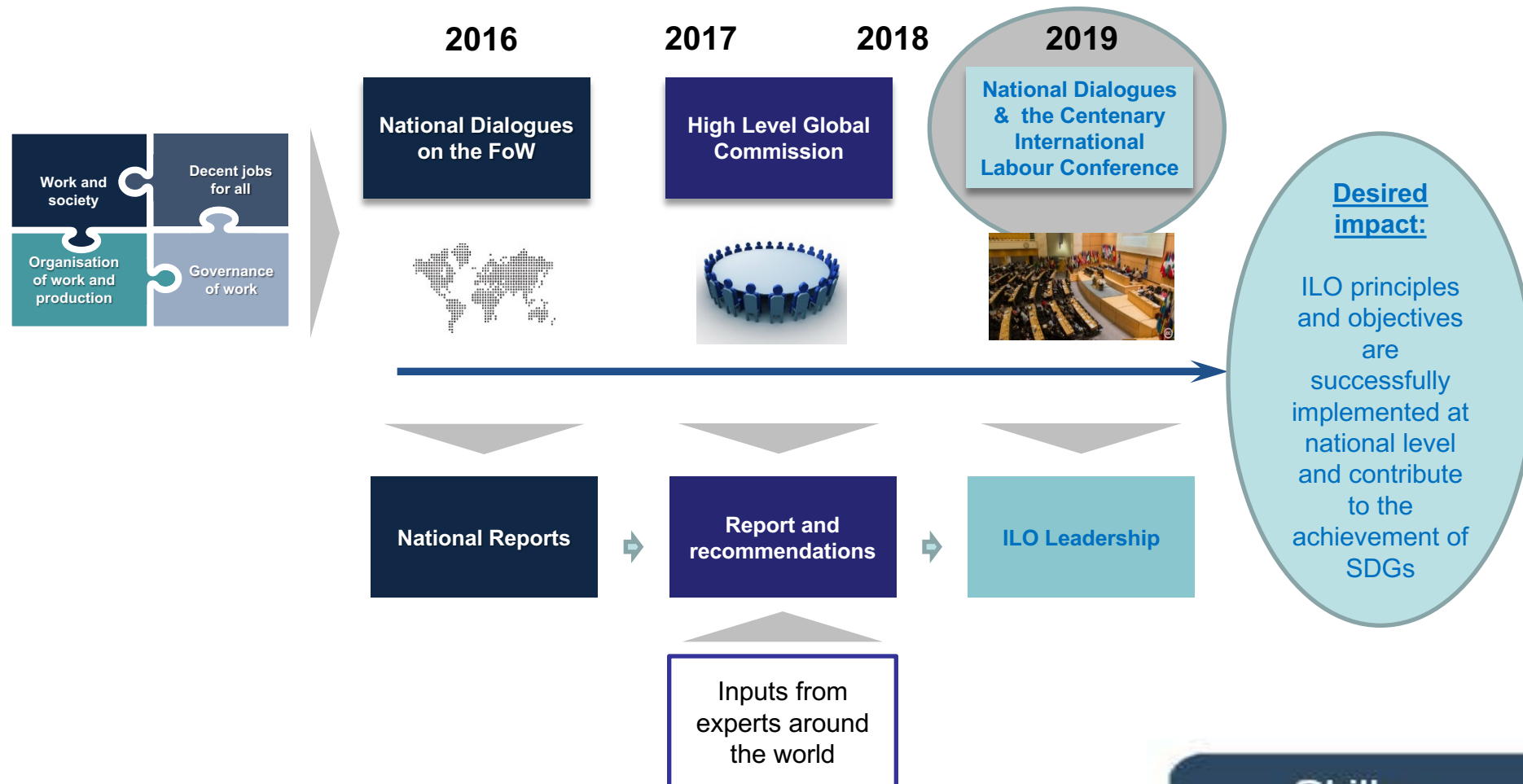








# The ILO Future of Work Initiative





## Main themes

### 1. **The role of work for individuals and society**

- Individuals work and society
- Addressing the situation and aspirations of youth

### 2. **Bringing an end to pervasive global and women's inequality in the workplace**

- Addressing care for inclusive labour markets and gender equality
- Empowering women working in the informal economy

### 3. **Technology for social, environmental and economic development**

- Job quality in the platform economy
- The impact of technology on the quality and quantity of jobs





## Main themes

- 4. Managing change during every phase of education**
  - Managing transitions over the life cycle
  - Skills policies and systems for a future workforce
  
- 5. New approaches to growth and development**
  - New business models for inclusive growth
  - Global value chains for an inclusive and sustainable future
  
- 6. The future governance of work**
  - New directions for the governance of work
  - Innovative approaches for ensuring universal social protection for the future of work





Thanks for your attention

*“When the winds of change blow, some seek shelter, others build windmills”*  
old Chinese proverb







# *Reforming skills policy*

*Ton Wilthagen, Tilburg University, Netherlands*



# This presentation

- Identify key points of a reform agenda regarding skills formation and identification
- Discuss how technology can help here
- Invite you to share experiences and good/next practices

# Skills are the achillesheel of the labour market

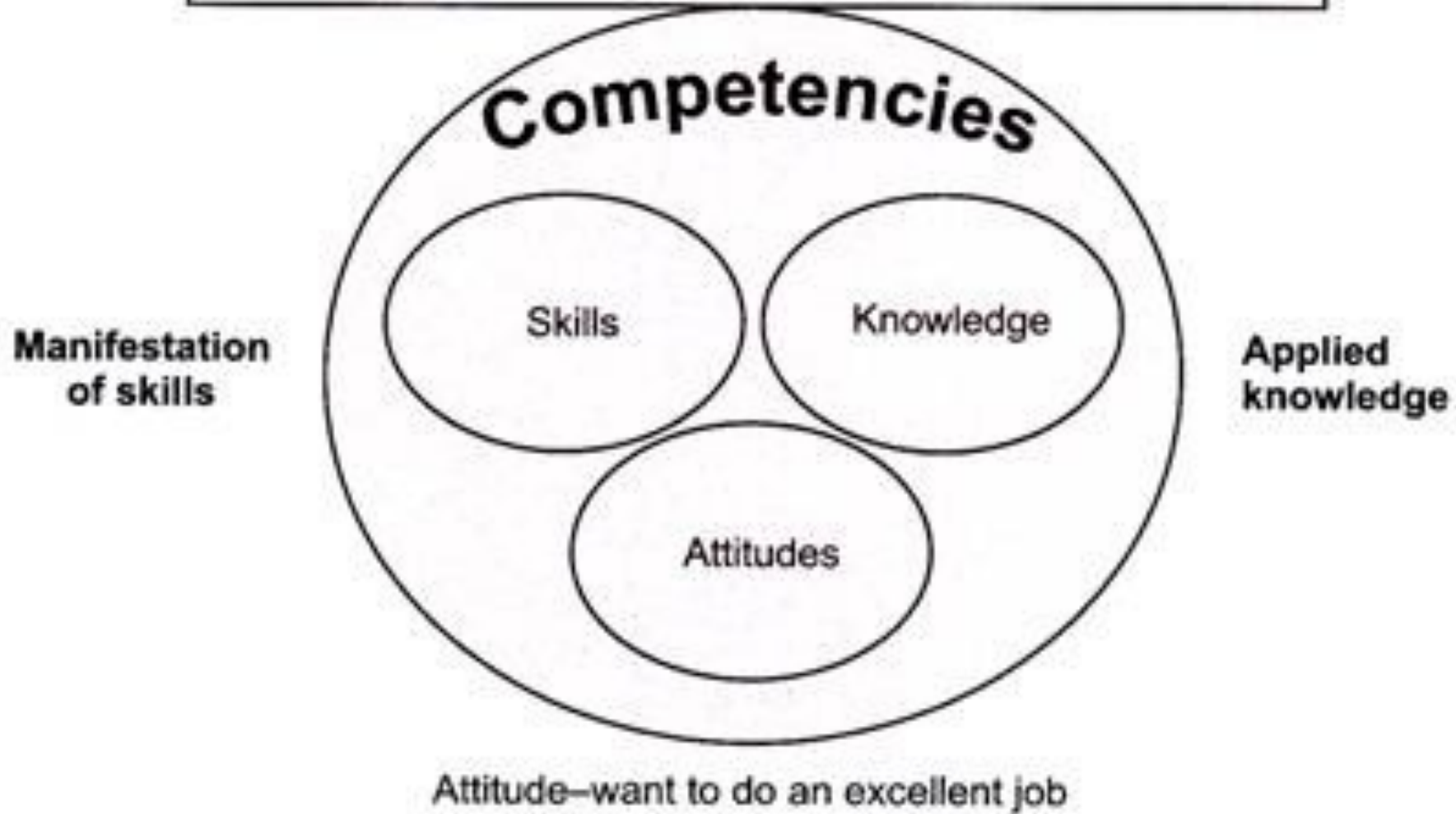


Vocational education and training, human development, skills and migration are interlinked

(European Training Foundation)



Competency includes knowledge, skills, and attitudes



# The case for skills

- **Economy:** globalization and changing nature of economy require updated and new skills, esp. for young people to make a living
- **Technology:** the biggest impact of robotization is how it *changes* jobs, next to destructing jobs or creating new jobs
- **Demography:** people live longer, work longer, and migrate more often – they have to rely stronger and longer on their skills
- **Ecology:** need for different skills (in production, services, logistics, maintenance, waste management etc.)

# For workers to win the race, however, they will have to acquire creative and social skills

(The future of employment: How susceptible are jobs to  
computerisation? Frey & Osborne (2016))

# The problem with skills formation



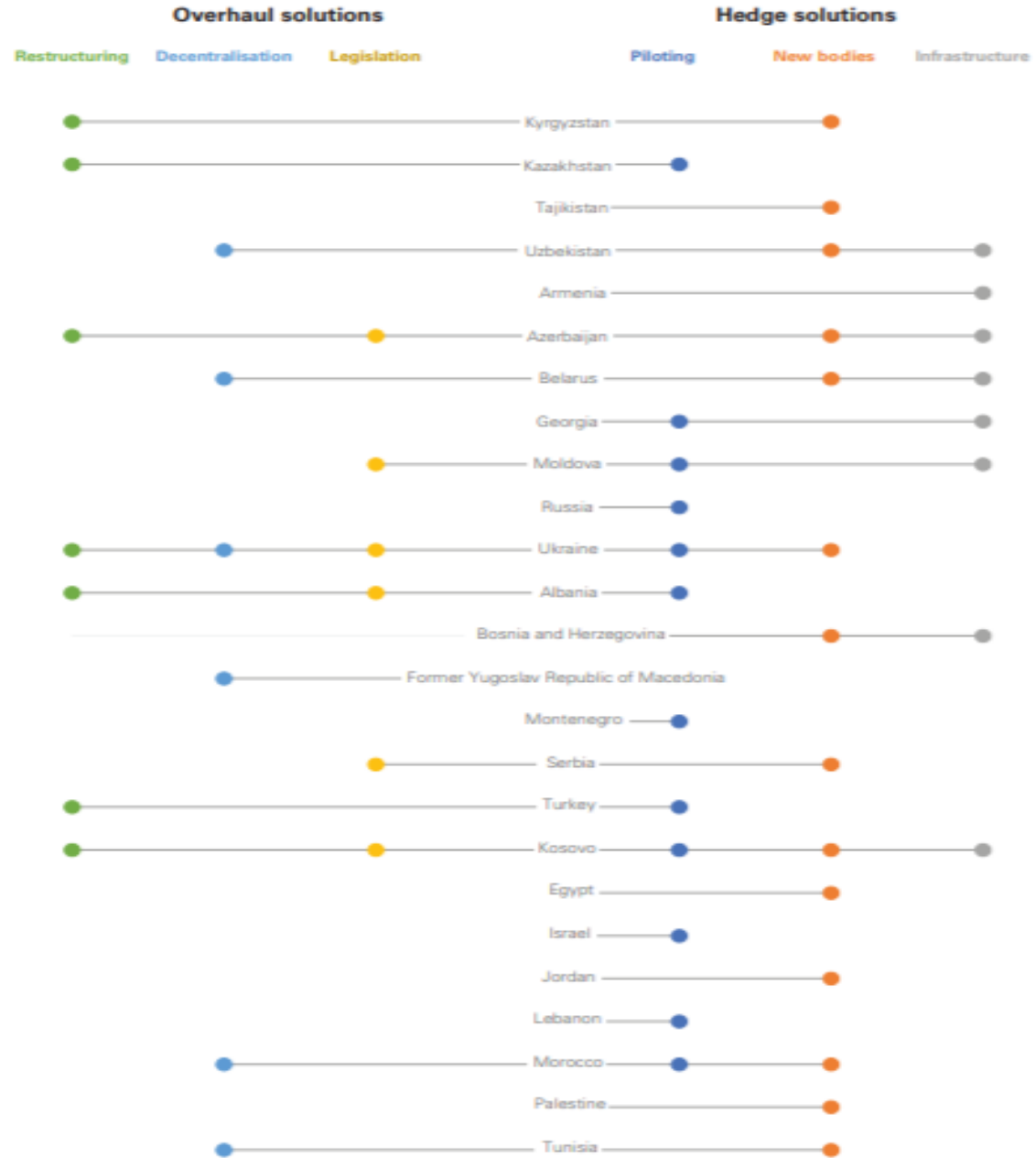
# Challenges

- Access (costs, eligibility, coverage, organization, supply)
- Quality (relevancy, sense of direction)
- Gap between education and labour market
- Assessment and recognition of skills, especially when moving beyond borders
- Life-long learning and keeping your skills up to date (access, quality, gap)

# Key points for a policy reform agenda

1. Guaranteeing equal & fast access and opportunity at all levels of skills formation, including migrants
2. Establishing a 'Youth Guarantee' approach (cp. European Union), dual learning systems and universal social drawing rights for LLL
3. Enhancing the quality of teachers and trainers in collaboration with companies
4. Raising level of funding and wages in the training and education sector
5. Improving labour market 'intelligence' and transparency in relation to skills formation and recognition

Figure 1.1 Reform implementation solutions, by country and type of solution



ETF  
REFORMS IN VOCATIONAL  
EDUCATION AND TRAINING  
IN ETF PARTNER COUNTRIES

# The good news: technology can help

- **Identifying people's skills** micro credentials, nano degrees, open badges, ePortfolio's
- **Acknowledging skills:** block chain applications
- **Skills anticipation:** recommenders and early warning systems for people and businesses



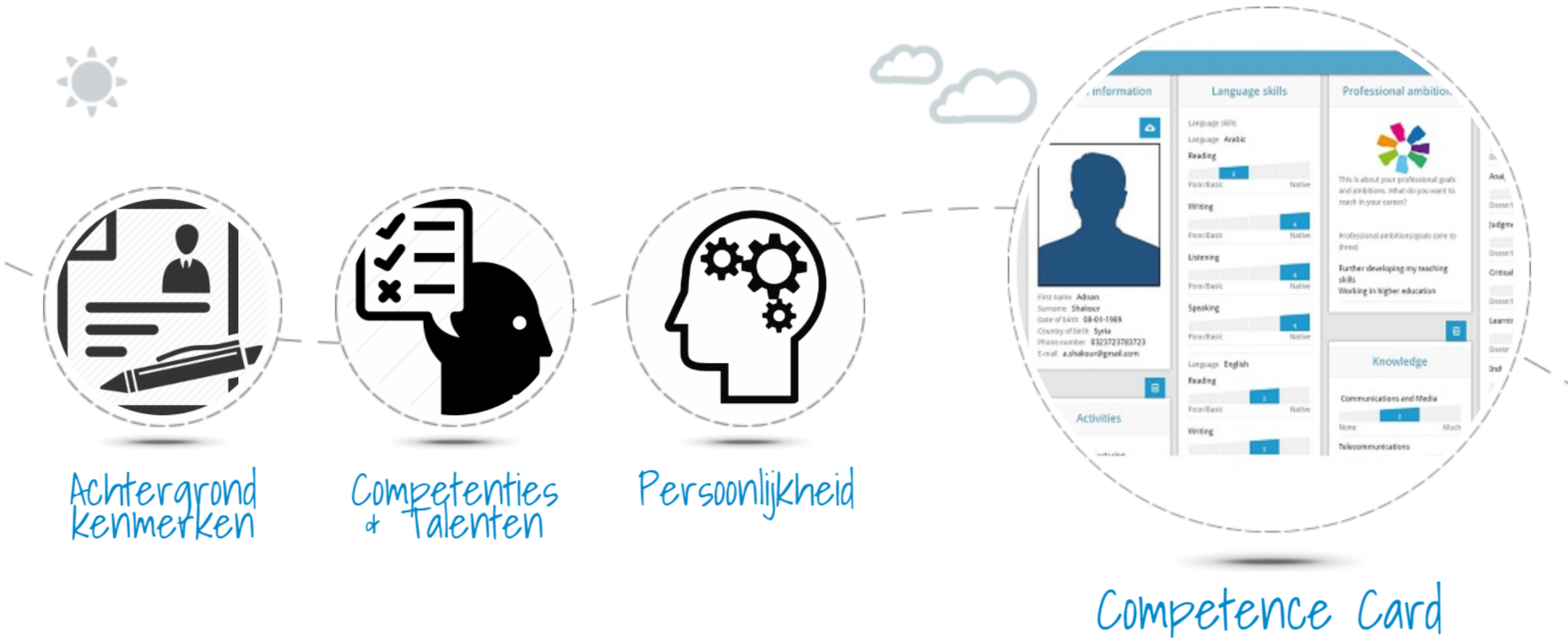
# The good news: technology can help

- **Skills support:** inclusion by design, enabling technologies
- **Identifying need for skills:** big data based occupational taxonomies
- **Deep matching** based on competences and tasks rather than just jobs

# Example from a Dutch region



# Competence card for refugees





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“THE WAY TO GET STARTED IS TO  
STOP TALKING ABOUT IT AND  
START DOING IT.”

+ WALT DISNEY

FOUNDER, DISNEY





Thank you for your Attention!!

Any Questions?



# WorldSkills Conference 2018 Amsterdam

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