TVET systems for 2030

WorldSkills Conference 2019

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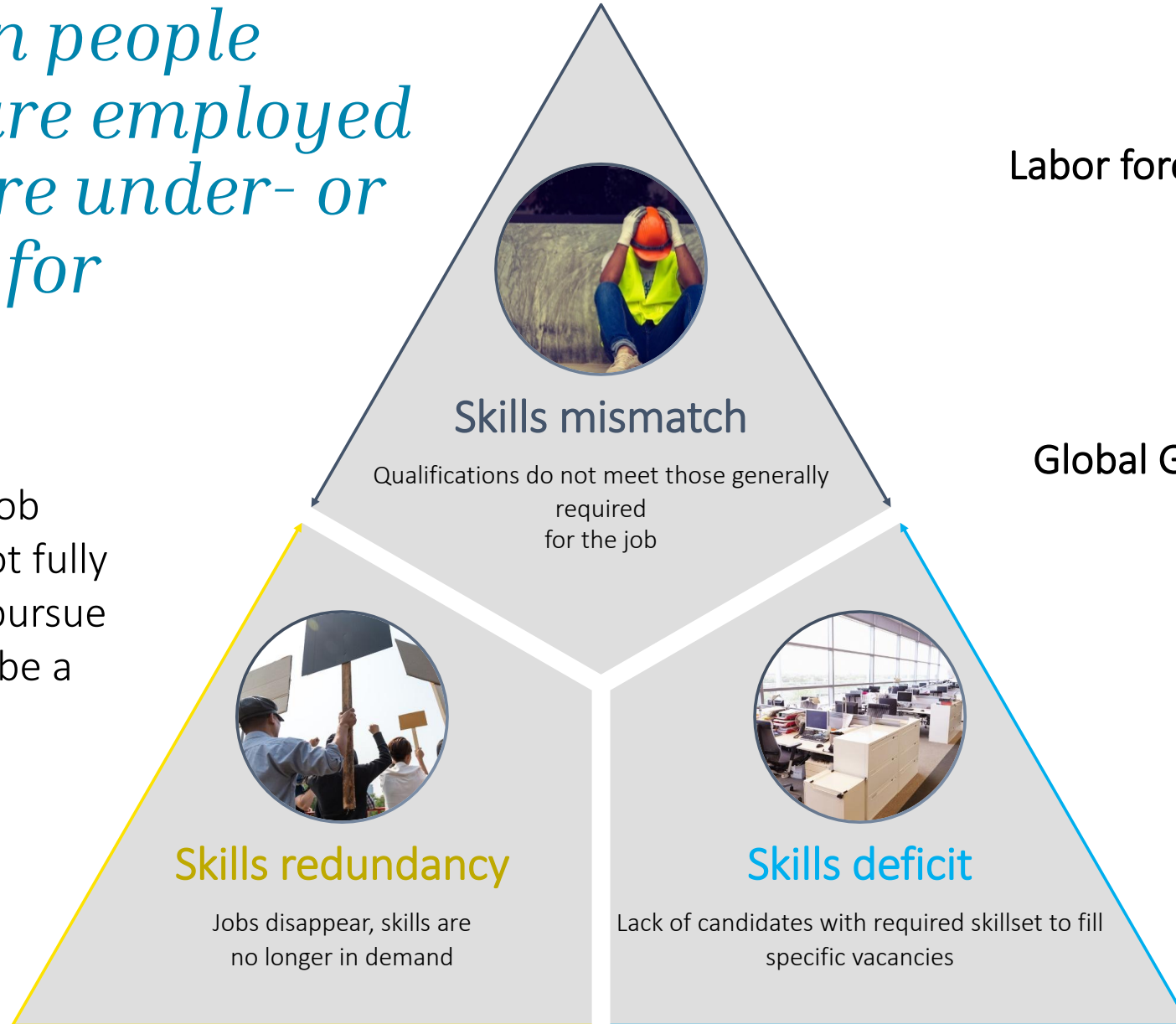
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Over 1.3 billion people in the world are employed in jobs they are under- or overqualified for

People are employed in job activities that they are not fully qualified for and do not pursue opportunities that could be a better match for them

Skills mismatch

Qualifications do not meet those generally required for the job

Skills redundancy

Jobs disappear, skills are no longer in demand

Skills deficit

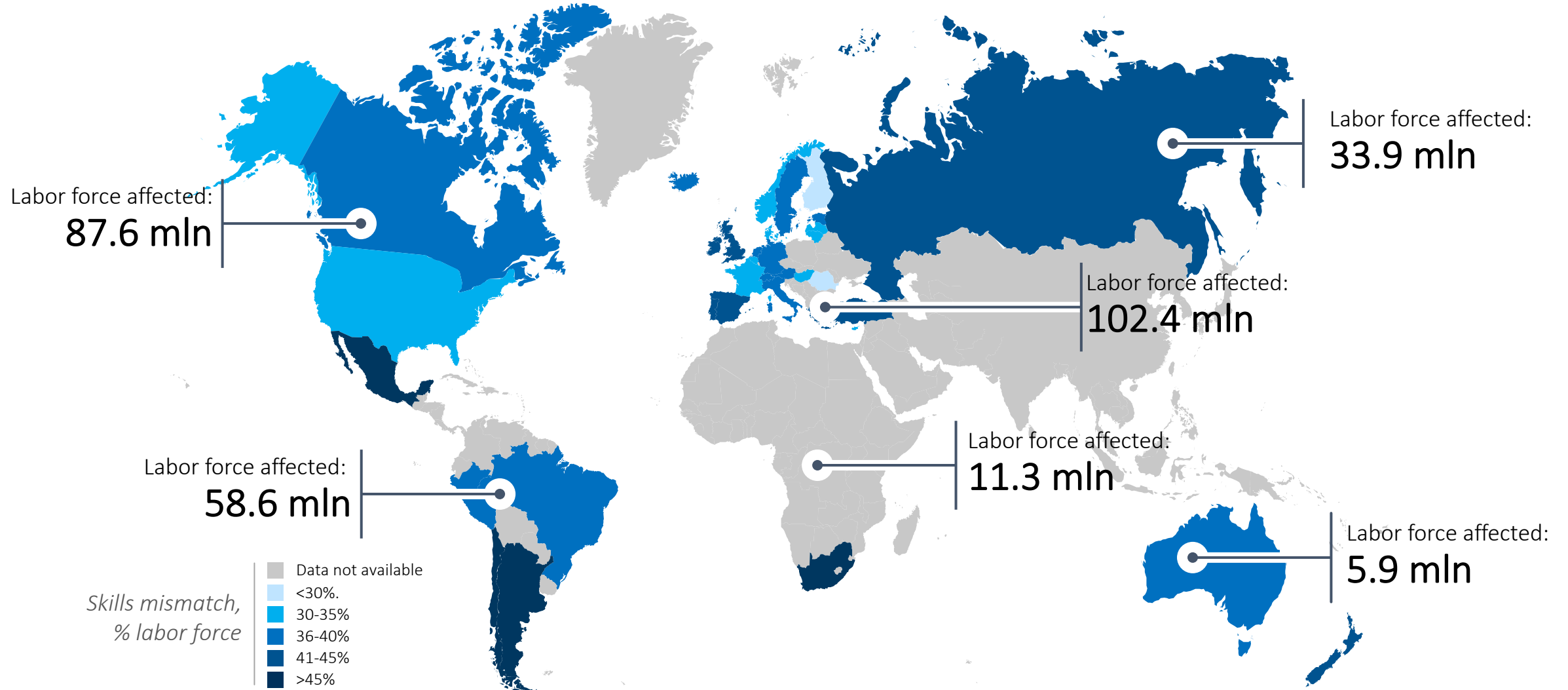Lack of candidates with required skillset to fill specific vacancies

1.3

Labor force affected, bln people

6%

Global GDP affected, % (PPP 2010)

In OECD countries skills mismatch affects 2 out of 5 employees

Labor force affected:
33.9 mln

Labor force affected:
87.6 mln

Labor force affected:
102.4 mln

Labor force affected:
11.3 mln

Labor force affected:
58.6 mln

Labor force affected:
5.9 mln

Skills mismatch, % labor force

- Data not available
- <30%.
- 30-35%
- 36-40%
- 41-45%
- >45%

1. Analysis covers 41 countries (incl.35 OECD countries and 7 non-OECD countries (Argentina, Bulgaria, Cyprus, Peru, Romania, Russia, S. Africa)
Sources: OECD, 2016; ILO, 2016; World Bank, 2016; BCG analysis.

Countries with higher skills mismatch have lower level of labour productivity

Skills mismatch strongly correlates with national productivity

Skills Mismatch, %

$$\rho^1 = -63\%$$

- South Africa
- Mexico
- Argentina
- Chile
- Russia
- Portugal
- Turkey
- United Kingdom
- Spain
- New Zealand
- Sweden
- Canada
- Australia
- Italy
- Germany
- Netherlands
- Brazil
- Estonia
- Austria
- Norway
- France
- Switzerland
- United States
- Denmark
- Ireland
- Finland

Labor productivity
(Real GDP (const 2010), 2016, $ per LF
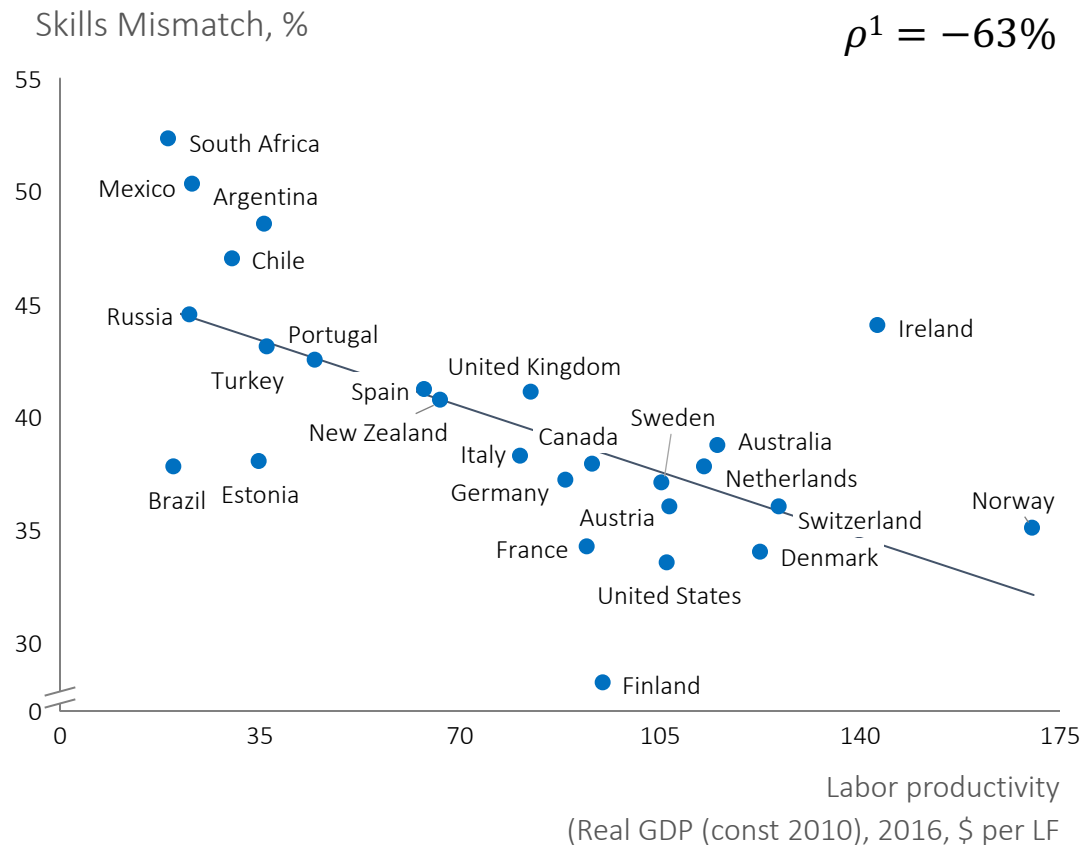
Global productivity loss due to mismatch is ~6%

$80,7T
Global GDP, 2017

$5T

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1. Correlation coefficient
Source: OECD Data, skills mismatch, 2016; EIU, Real GDP (US$ at 2010 prices), 2016; BCG analysis.

Question to audience

The most important thing to face the skills mismatch is:

A: Having all necessary skills and knowledge to be in demand in the labor market

B: That leaners and employees are motivated to develop and adapt to change

C: Creating labour market opportunities that are available to all potential employees and are consistent with their skills, values and needs

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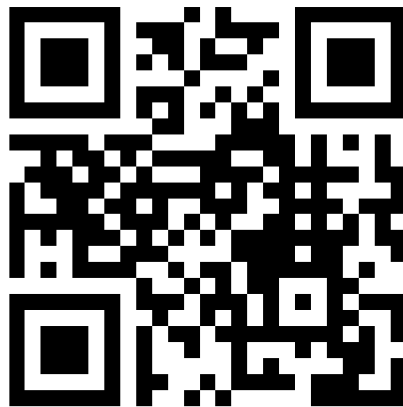# Follow for voting during the session

1 Grab your phone

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3 Enter the code 81 08 19 and vote

www.menti.com|

Please enter the code

123456

Submit

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Discussion

1. Who are the main stakeholders to consider when developing these skills development strategies?

2. Can you provide examples of what works and what does not work to ensure cooperation? (between stakeholders and at the global level)

3. Can you identify main barriers to cooperation and their roots? How can we overcome them?

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Question to audience

Which type of solution should be prioritized: human-oriented vs economy-oriented?

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21st century challenge: mass uniqueness

Before industrial revolution
Development by birth

XX century
Mass standardization

XXI century
Mass uniqueness

Loyalty – protection
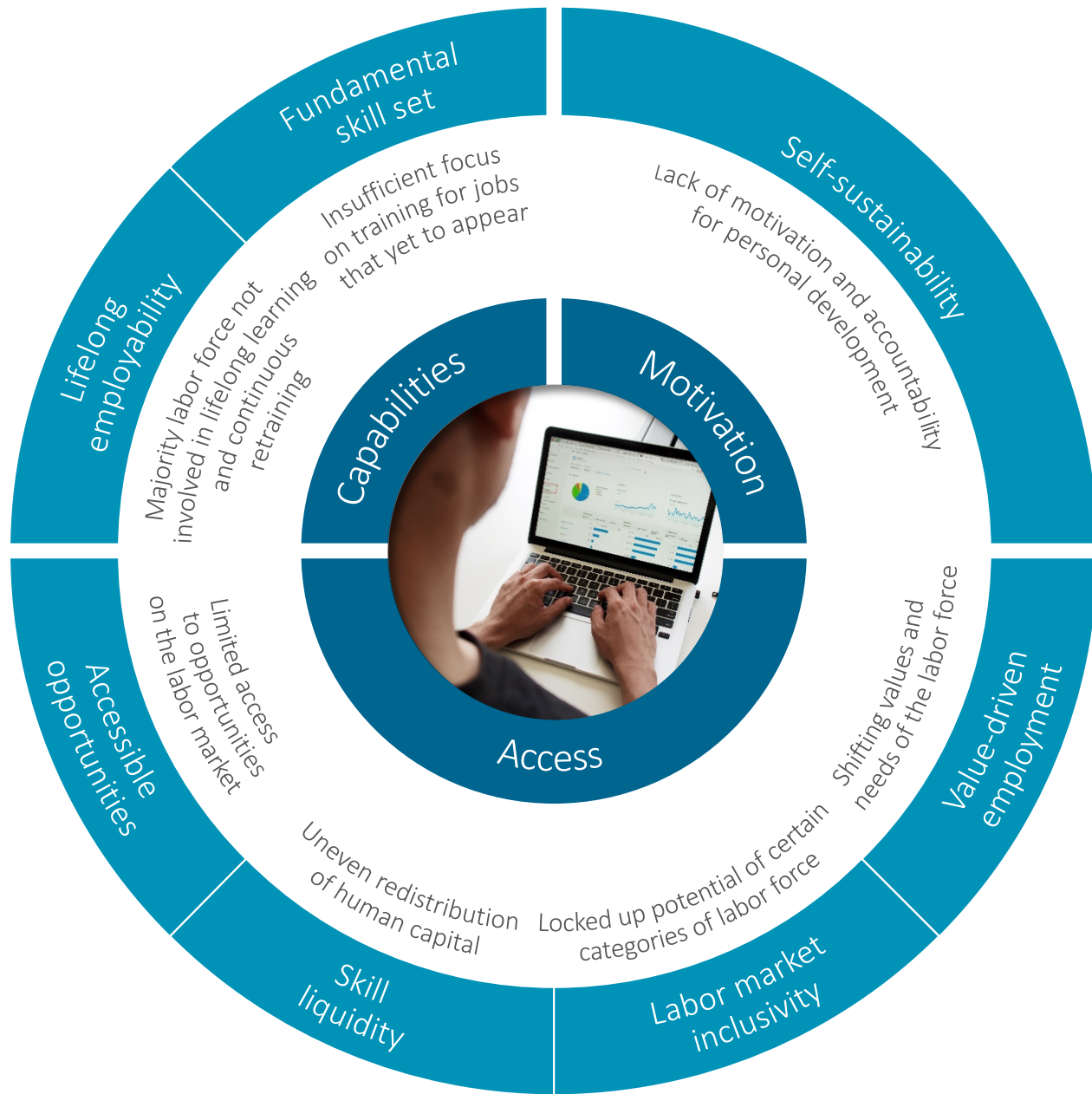
Productivity – stability

Responsibility – opportunities

Evolution of the social contract

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Mass uniqueness is based on three main blocks: capabilities, motivation and access for everyone

Capabilities

Fundamental skill set — Insufficient focus on training for jobs that yet to appear

Lifelong employability — Majority labor force not involved in lifelong learning and continuous retraining

Motivation

Self-sustainability — Lack of motivation and accountability for personal development

Value-driven employment — Shifting values and needs of the labor force

Access

Accessible opportunities — Limited access to opportunities on the labor market

Skill liquidity — Uneven redistribution of human capital

Labor market inclusivity — Locked up potential of certain categories of labor force

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Discussion

1. What are the most pressing reforms to implement to ensure that learners and workers are future ready?

2. Can you identify specific aspects that should be prioritized to ensure that TVET systems are relevant to their specific contexts?

3. Could you provide concrete examples of solutions and practices from your region, country or based on your organization's experience?

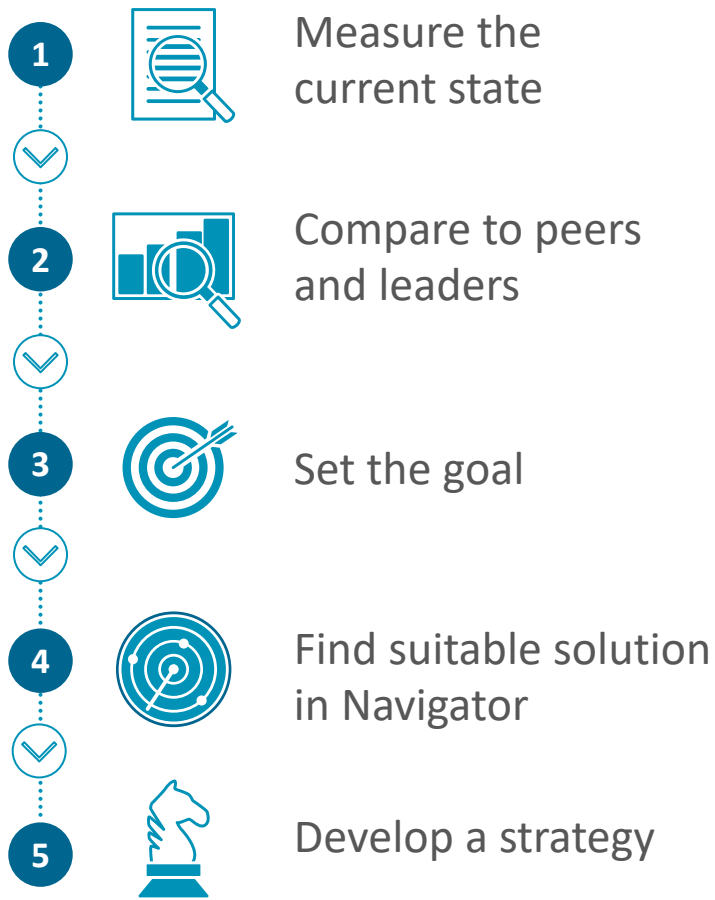# Human-centricity of the system: eight country clusters with unique combination of challenges

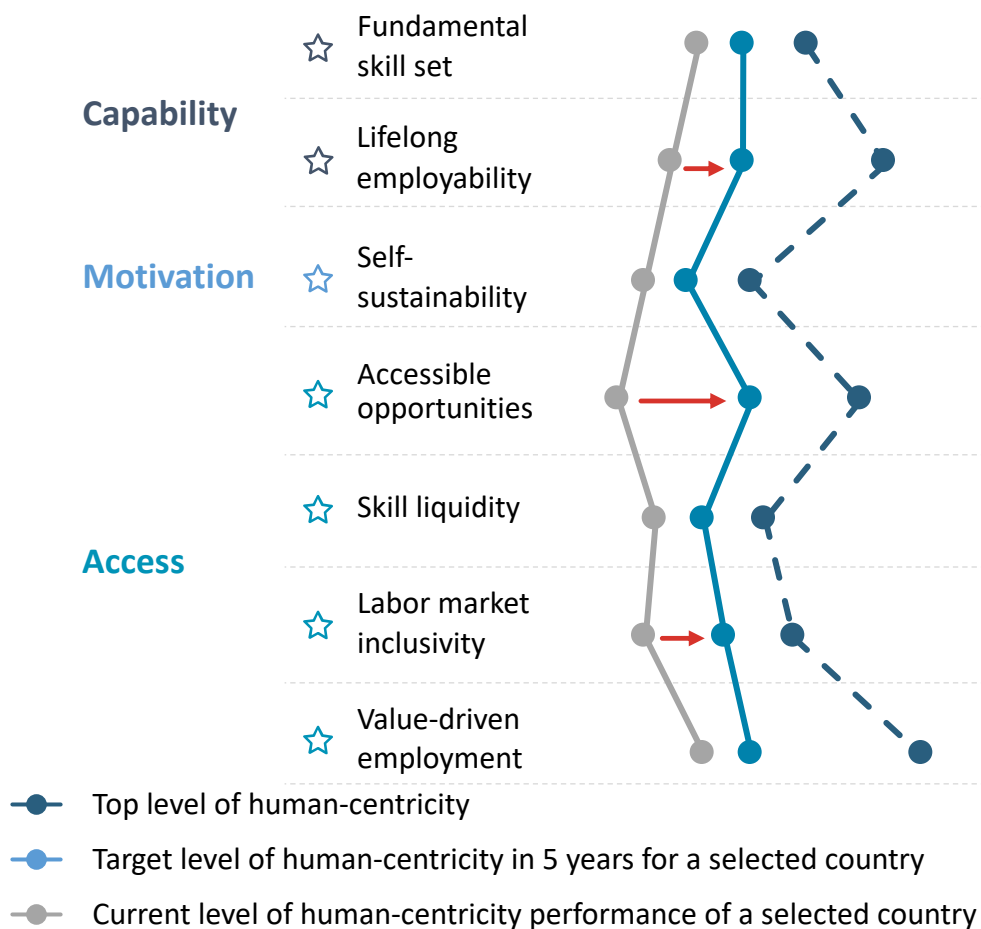|	Ambitious and open	Closed and self-sufficient	Developed and stable	Talent exporters	Labor force exporters	Growing new world	Talent importers	Protracted crisis
Key issue	How to retain talent and provide opportunities for leadership?	How to provide people with the best opportunities for self-actualization?	How to motivate people for self-development?	How to retain talents and give them opportunities for development?	How to build up an educational and labor market system?	How to provide the population with skills to move to a new stage of development?	How to integrate migrants and motivate local population?	How to stabilize the situation?
Capability								
Motivation								
Access								

Illustration, no data available   Average value of parameters for a cluster of countries

Assessment of the level of human-centricity and Navigator of practical solutions together are an instrument to shape the development strategy

1 Measure the current state

2 Compare to peers and leaders

3 Set the goal

4 Find suitable solution in Navigator

5 Develop a strategy

Human-centricity of the system

Capability
- ☆ Fundamental skill set
- ☆ Lifelong employability

Motivation
- ☆ Self-sustainability
- ☆ Accessible opportunities

Access
- ☆ Skill liquidity
- ☆ Labor market inclusivity
- ☆ Value-driven employment

● Top level of human-centricity

● Target level of human-centricity in 5 years for a selected country

● Current level of human-centricity performance of a selected country

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