A whole-of-society approach
Skills change lives
- because skills have an increasing impact on labour market outcomes and social participation

and matter for productivity, innovation and inclusion

- because failure to ensure a good skills match has both short-term consequences (skills shortages) and longer-term effects on economic growth and equality of opportunities

VPET, Global Skills Agenda, June 2017
Hong Kong
The Smiling Curve

Value added

R&D
Design
Logistic purchase
Production
Assembling
Logistic
Market
Service

Pre-production Production Post-production Value chain activities

Upstream activities

Downstream activities
Gap in job quality between high-skilled and low-skilled workers and participation in global value chains

In countries more integrated in global markets, the gap in job quality between educated and less educated workers is bigger.
but degrees don't automatically translate into better skills and better lives

- because failure to ensure that skill matching has both short-term (skills shortages) and long-term implications on economic growth and opportunities

VPET, Global Skills Agent
Hong Kong
Strengthening skills systems

Skills strategies need a strong horizontal and vertical dimension
- Life stages and policy dimensions
- Recognise and respond to local needs
- Capitalise on global value chains

Contributes to economic prosperity

Putting skills to effective use

Contributes to social cohesion

Developing relevant skills

Activating skills supply
Anticipating changing demands for skills

Improving quality and equity of education and training

Spending time in education is one thing; learning is another. Education and training institutions need to be governed by a clear quality-assurance framework that serves both accountability and improvement purposes. Workplace training should also be subject to quality control, in the form of contractual arrangements, inspections and self-evaluations.

Fostering lifelong skills-oriented learning instead of qualifications-focused education upfront in life course

Facilitating entry for skilled migrants

Fostering demand-sensitive and relevant learning involving employers

Investing in skills abroad and encourage cross-border higher education

Sharing costs fairly among governments, individuals and employers

Employers can help to create a climate that supports learning, and invest in learning, and individuals must be willing to develop their skills throughout their working life. Governments can design financial incentives and favourable tax policies that encourage individuals and employers to invest in post-compulsory education and training.

Involving employers in designing curricula and delivering education programmes

Making it easier for international students to remain in the country

Involving trade unions in providing on-the-job training
Anticipating changing demands for skills

Quality and equity and training

are two different things; learning is another. Education and training need a clear quality-assurance framework that serves both purposes. Workplace training should also be subject to contractual arrangements, inspections and self-evaluations.
Coming to an office near you...

What today’s technology will do to tomorrow’s jobs
Robotics

> 1m km
one minor accident
occasional human intervention
Augmented Reality
...A lot more to come
Global value chains

The digital economy is the economy

Changing demographics

Many OECD countries are struggling with slow growth
Many OECD countries are struggling with slow growth

Decomposition of growth in GDP per capita, 2002-07 and 2009-14

Source: OECD, 2015, OECD Science, Technology and Industry Scoreboard 2015
Labour productivity growth (2001 = 100)

**Manufacturing**
- Frontier firms: 3.5% per annum
- All firms: 1.7% per annum
- Non-frontier firms: 0.5% per annum

**Services**
- Frontier firms: 5.0% per annum
- All firms: 0.3% per annum
- Non-frontier firms: -0.1% per annum
Digital problem-solving skills

Proportion of adults at levels 2 or 3

Young adults (16-24 year-olds)

Older adults (55-65 year-olds)
Anticipating changing demands for skills, quality and equity and training

One thing; learning is another. Education and training need a clear quality-assurance framework that serves both purposes. Workplace training should also be subject to contractual arrangements, inspections and self-evaluations
Anticipating changing demands for skills

Improving quality and equity of education and training

Spending time in education is one thing; learning is another. Education and training institutions need to be governed by a clear quality-assurance framework that serves both accountability and improvement purposes. Workplace training should also be subject to quality control, in the form of contractual arrangements, inspections and self-evaluations.

Lifelong skills-oriented learning instead of qualifications-focused

Learn Unlearn Relearn
Spending time in education is one thing; learning is another. Educational institutions need to be governed by a clear quality-assurance framework for accountability and improvement purposes. Workplace training should be oriented towards quality control, in the form of contractual arrangements, inspections and assessments.

Fostering **lifelong skills-oriented learning** instead of qualifications-focused education upfront in life course

- Information and guidance for potential learners
- Flexible delivery that allows learners to decide what to learn when and how
- Greater transparency of returns

Fostering demand-sensitive and relevant learning involving employers
Graduates cannot find jobs while employers say they cannot find the people with the skills they need.
Mean literacy proficiency and distribution of literacy scores, by educational attainment

Japan

Italy

Score

100 125 150 175 200 225 250 275 300 325 350 375 400

25th percentile

Mean

75th percentile

Tertiary

Upper secondary

Lower than upper secondary

Tertiary

Upper secondary

Lower than upper secondary
Literacy proficiency by level of educational attainment (25-34 year olds):
Sharing costs for governments, individuals

Employers can have to create a climate that supports learning, and invest in learning throughout their working life. Governments can design financial incentives for employers to invest in post-compulsory education.

Involving employers in designing curricula and delivering education programmes

Compared to purely government-designed curricula taught in exclusively school-based systems, learning in the workplace offers important advantages.

Involving trade unions in providing on-the-job training is crucial for effective workplace learning.
employers delivering education

Pointers for policy
Keeping learning beyond school
Cross-sectional skill-age profiles for youths by education and work status

Mean skill score

Youth in education
Youth in education and work
Youth in work
Not in education, not in work

Age

Linear (In education only)
Linear (In education and work)
Linear (Work only)
Linear (NEET)
Pointers for policy
Engage employers, unions and other stakeholders to strengthen links between educational programmes and labour market needs.

but small and medium enterprises (SMEs) often find it difficult to provide sustained and substantial support for work-based VET
but small and medium enterprises (SMEs) often find it difficult to provide sustained and substantial support for work-based VET. 

**Norway**  
Firms collectively promote apprenticeships. Training offices (Opplæringssentrum) are owned collectively by companies and operate at county level or focus on specific trades across counties. They support apprenticeships in various ways such as:  
- Searching for new apprenticeship places  
- Supervising companies with apprentices  
- Training staff involved in apprentice supervision.  
- Signing the apprenticeship contract on behalf of smaller companies and becoming accountable for completion of the training and its results.

**Switzerland:**  
firms may share apprentices. Groups of firms organized into vocational training associations share apprentices, reducing the financial and administrative burden on each firm. Firms that do not have the capacity to take on an apprentice on their own can therefore provide apprenticeships. In each association one firm takes formal responsibility for the apprentices.

Switzerland subsidises these associations during the first three years, contributing to the initial costs of establishing a joint training programme.
The mandatory principle
All vocational programmes should contain a significant element of workbased learning

Integrate work-based learning systematically into all vocational programmes

Best if systematic, mandatory, credit-bearing and quality assured

Making funding dependent on the existence of partnerships
Students in upper secondary vocational education who are participating in work-based learning

- Apprenticeship
- Working outside of apprenticeship
- Studying only

Countries included in the study:
- Germany
- Australia
- Netherlands
- Austria
- Denmark
- Norway
- Finland
- Estonia
- Sweden
- Poland
- Spain
- Czech Republic
- Flanders (Belgium)
- Japan
- Korea
- France
- Slovak Republic
- Italy
Draw on employers’ perspectives and capacity to:
  • assess whether content of curricula and qualifications meet current labour market needs
  • guide their adaptation to emerging requirements
  • develop qualifications and workplace training arrangements
A vocational teaching workforce containing a balance of teaching skills and up-to-date industry knowledge and experience

Build adequate **transversal skills** into vocational programmes

‘Contextual learning’ of basic skills integrates the acquisition of literacy and numeracy into vocational learning
Ensure that institutions and mechanisms to engage employers represent the diverse perspectives and opinions found within employers’ groups.

Recognise different incentives:
• Employers as a whole have very strong interest in general transferable skills, while individual employers and sectoral groupings often have narrower interests.
• Trade unions have incentives to ensure that existing workers have access to good-quality training and have transferable skills but also have incentives to limit access to occupations.
Find the appropriate role for government that supports the interests of students and balances the perspectives of employers and unions.

Provisions that match labour-market needs
- Good information on labour-market needs
- Job creation linking provision to needs
- Diversity of offerings and pathways
- Engagement of social partners

High quality delivery
- Ensure that VET teachers and trainers have both pedagogical skills and appropriate technical expertise
- Provide adequate quality assurance and monitor effective courses

Reliable, competency-based qualifications
- Developed in collaboration with labour market actors and reflecting labour market needs
- Qualifications should be aligned with the national framework for learning outcomes
- High-calibre assessment

High-mileage assessments
Good information on labour-market needs

Mechanisms linking provision to needs

Provisions that match labour-market needs

Diversity of offerings and pathways

Engagement of social partners
High quality delivery

Provide comprehensive education and training for employability, including foundation, socio-emotional and technical skills.

Ensure that VET teachers and trainers have both pedagogical skills and up-to-date technical expertise.

Provide adequate quality assurance and monitor labour-market outcomes.
Developed together with labour market actors and reflecting labour market needs

Reliable, competency-based qualifications

Qualifications reflecting labour market needs that are nationally consistent but allow for a locally negotiated element

High quality assessments
Sharing costs fairly among governments, individuals and employers

Employers can have to create a climate that supports learning, and invest in learning, and individuals must be willing to develop their skills throughout their working life. Governments can design financial incentives and favourable tax policies that encourage individuals and employers to invest in post-compulsory education and training.

Involving employers in designing curricula and delivering education programmes

Compared to purely government-designed curricula taught in exclusively school-based systems, learning in the workplace offers important advantages.

Involving trade unions in providing on-the-job training
Learn Unlearn Relearn

Integrating the world of work and learning

Many educational programmes currently:
- fail to meet labour market needs
- do not adequately prepare young people for jobs
- are separated from the fast-changing world of modern economies

Facilitating learners to

Understanding and
Employers
Many educational programmes currently:
- fail to meet labour market needs
- do not adequately prepare young people for jobs
- are separated from the fast-changing world of modern economies

Integrating the world of work and learning
Engage employers to provide right mix of skills

- Provide a mix of training places that reflects both student preferences and employer needs.
- Engage employers and unions in curriculum development and ensure that the skills taught correspond to those needed in the modern workplace.
- Provide young people with generic, transferable skills to support occupational mobility and lifelong learning, and with occupationally-specific skills that meet employers’ immediate needs.
- Ensure all students have adequate numeracy and literacy skills to support lifelong learning and career development.
Career guidance to deliver effective advice for all

Provide effective career guidance
- Recognize that rapidly evolving jobs and careers have expanded career opportunities, but students are becoming harder, and career planning is therefore becoming both more important and more demanding.
- Develop a holistic and comprehensive approach to guidance so that young people do not have to rely on internal sources of guidance.
- Develop effective guidance services that can work to be taken by delivering the core written skills, information and opportunities which lead to rewarding choices.

Establish a coherent, independent and comprehensive guidance profession
- Develop a coherent profession of career advisors.
- Ensure that career advisors have a clear understanding of all labor market, careers and learning opportunities. For example, identifying appropriate training opportunities, guiding, and offering support services that help them make choices which are both realistic and fulfilling, the competencies to help individuals to realize their own careers.
- Develop a quality system to career advisors.
- Ensure that independent advice professionals from the institutions (such as schools, universities) are joined.

Support guidance with resources, information, and evaluation
- Deliver key elements of guidance practically to all students, so that students can be supported to explore career guidance to understand how they make key career decisions.
- Develop comprehensive resources, or identify appropriate resources and ensure that skills to engage, as well as support and complement these skills are supported and well-planned.
- Ensure that careers guidance initiatives are evaluated in the case to effective measuring and reflect how best to employ these resources.
PROVIDE EFFECTIVE CAREER GUIDANCE

• Recognise that rapidly evolving jobs and careers have expanded career opportunities, but choices are becoming harder, and career guidance is therefore becoming both more important and more demanding.
• Provide reliable and impartial sources of guidance so that young people do not have to rely on informal sources of guidance.
• Develop effective guidance services that can yield large returns by developing the career-related skills, self-awareness and self-esteem which lead to rewarding choices.
ESTABLISH A COHERENT, INDEPENDENT AND COMPREHENSIVE GUIDANCE PROFESSION

• Develop a separate profession of career advisors.
• Ensure that career advisors have: a good knowledge of labour markets, careers and learning opportunities; the ability to find young peoples' interests, aptitudes and objectives so as to help them make choices which are both realistic and fulfilling; the competencies to help individuals to manage their own careers
• Develop a qualification system for career advisors
• Preserve their independence of guidance professionals from the institutions (such as schools) in which they are based
SUPPORT GUIDANCE WITH RESOURCES, INFORMATION AND EVALUATION

• Deliver key elements of guidance pro-actively to all students, so that students can be supported by one-to-one guidance by professionals when they make key career decisions.
• Regularly update information sources to identify emerging occupations and areas of skills shortage, as well as current and potential areas of skills oversupply and redundancy.
• Properly evaluate career guidance initiatives to establish the case for effective resourcing and identify how best to employ those resources.
Career guidance to deliver effective advice for all

Provide Effective Career Guidance
- Recognize that realities evolving jobs and careers have expanded career opportunities, but choices are becoming harder, and career guidance is therefore becoming both more important and more demanding.
- Develop a holistic and integrated approach to career guidance so that young people do not have to rely on internal sources of guidance.
- Develop effective career services that can provide meaningful support by developing the core values skills, information, and platforms which lead to increased choice.

Establish a Coherent, Independent, and Comprehensive Guidance Profession
- Develop a national framework of career education.
- Develop a sector with a strong professional identity, including guidance services.
- Develop programs in labor markets, careers, and learning opportunities, including in non-traditional areas.
- Develop a coherent, cross-cutting approach to careers, making the most of the opportunities and career choices available for all young people and adults.

Support Guidance with Resources, Information, and Evaluation
- Deliver key elements of guidance proactively to all students, ensuring that students are supported by a clear and focused guidance process when they make key career decisions.
- Provide students with direction and guidance, helping them to make informed choices about their future.
- Develop a comprehensive system for identifying, measuring, and evaluating skills, as well as collecting and analyzing data on skills development and work outcomes.
- Develop and maintain accurate information to support the delivery of effective and meaningful guidance.

Provide Evaluation and Feedback
- Provide evaluation and feedback to ensure that guidance is effective and meets the needs of students.
- Provide regular reviews and updates to ensure that guidance is up-to-date and relevant.
- Provide opportunities for students to reflect on their experiences and progress.
Prepare teachers well with industry experience

• Encourage trainers in educational institutions to spend some of their time working in industry.
• Promote flexible pathways of recruitment and make it easier for those with industry skills to become part of the workforce of educational institutions through effective preparation.
• Provide appropriate pedagogical and other preparation for trainers of interns, trainees and apprentices in workplaces.
• Encourage interchange and partnership between educational institutions and industry, so that teachers and trainers spend time in industry to update their knowledge, and trainers in firms spend some time in educational institutions to enhance their pedagogical skills.
Maximise use of workplace training

- Make substantial use of workplace training
- Ensure that the framework for workplace training encourages both employers and students to participate.
- Ensure workplace training is of good quality, through an effective quality assurance system and a clear contractual framework for apprenticeships.
- Balance workplace training by other provision
Use effective tools to engage stakeholders and promote transparency

- Engage employers and unions in policy and provision through effective mechanisms.
- Systematically engage with employers, trade unions and other key stakeholders to develop and implement qualification frameworks, supported by strengthened quality assurance.
- Adopt standardised national assessment frameworks to underpin quality and consistency in training provision.
- Strengthen data on labour market outcomes, and provide the institutional capacity to analyse and disseminate that data.
Many educational programmes currently:
• fail to meet labour market needs
• do not adequately prepare young people for jobs
• are separated from the fast-changing world of modern economies

Integrating the world of work and learning
The right balance

What students want to study

What employers need

What can be provided: 
- Enhanced learning through tailored programs and practical, hands-on activities.
- Development of skills through real-world projects and mentorship.
- A supportive environment to encourage innovation and personal growth.
- Opportunities for experiential learning through internships or cooperative education.

Verse:
- A balance between academic theory and practical application.
- A focus on developing the skills needed in the work environment.
- Continuous improvement and adaptation to the changing needs of the industry.
Anticipating changing demands for skills

Improving quality and equity of education and training

Spending time in education is one thing; learning is another. Education and training institutions need to be governed by a clear quality-assurance framework that serves both accountability and improvement purposes. Workplace training should also be subject to quality control, in the form of contractual arrangements, inspections and self-evaluations.

Fostering lifelong skills-oriented learning instead of qualifications-focused education upfront in life course

Facilitating entry for skilled migrants

Investing in skills abroad and encouraging cross-border higher education

Making it easier for international students to remain in the country

Fostering demand-sensitive and relevant learning involving employers

Learn Unlearn Relearn

Sharing costs fairly among governments, individuals and employers

Employees can only invest in their learning if they believe that it will lead to a competitive advantage. Governments and employers need to review policies that encourage individuals and employers to invest in post-compulsory education and training.

Involving employers in designing curricula and delivering education programmes

Involving trade unions in providing on-the-job training
Strengthening skills systems

Skills strategies need a strong horizontal and vertical dimension
Life stages and policy dimensions
Recognise and respond to local needs
Capitalise on global value chains

Developing relevant skills

Activating skills supply

Contributes to economic prosperity

Putting skills to effective use

Contributes to social cohesion
Identifying inactive individuals and why they are inactive
Targeting activation policies efficiently requires identifying inactive individuals and their reasons for inactivity.

Creating incentives that make it pay to work
Costly childcare services, tax systems that make work economically unattractive, or benefit systems that offer better compensation compared with expected salaries can make it uneconomical to work.

Putting Skills to Work

Helping people work longer

Dismantling non-financial barriers to participation in the labour force
Indivisible working conditions can make it difficult for people with care obligations and individuals with disabilities to participate in the labour force. Less rigid working-time arrangements and improved working conditions, particularly for women with health problems, can also make employment more attractive to these traditionally inactive groups.

Limiting 'brain drain'
Strengthening skills systems

Skills strategies need a strong horizontal and vertical dimension
Life stages and policy dimensions
Recognise and respond to local needs
Capitalise on global value chains

Developing relevant skills
Anticipating changing demands for skills
Improve quality and equity of education and training
Sharing costs fairly among governments, individuals and employers

Activating skills supply
Identifying inactive individuals and why they are inactive
Creating incentives that make it pay to work
Holding people work longer
Demolishing non-financial barriers to participation in the labour force

Contributes to economic prosperity
Putting skills to effective use

Contributes to social cohesion
Provide better information about the skills needed and available

Help young people gain a foothold in the labour market

Make skills more transparent

Facilitate internal mobility

Helping employers to make better use of their employees’ skills

Create more high value-added jobs

Help local economies to move up the value chain

Foster entrepreneurship
Provide better information about the skills needed and available

O*NET (US)

people gain a foothold in the labour market

Make sense of the world
The link between skill mismatch and earnings

[Graph showing the relationship between age and monthly wages for different skill levels and matches.]

- **HIGH-SKILL MATCH** (high foundation skill, high use)
- **SKILL DEFICIT** (low foundation skill, high use)
- **SKILL SURPLUS** (high foundation skill, low use)
- **LOW-SKILL MATCH** (low foundation skill, low use)
Provide better information on the skills needed and help young people gain a foothold in the labour market. Facilitate internal mobility.
needed and available

foothold

Make skills more transparent

Quality career guidance becomes a critical part of any skills strategy. Coherent and easy-to-interpret qualifications can help employers to understand which skills are held by potential employees, making it easier to match a prospective employee to a job. Continuous certification that incorporates non-formal and informal learning over the working life is also essential, as is recognition of foreign diplomas.
Helping employers to make better use of their employees’ skills

In the case of under-skilling, public policies can help to identify workers with low levels of foundation skills and offer an incentive to both employees and employers to invest in skills development to meet the requirements of the job. When the skills available aren’t adequately used, better management practices are needed. As workers assume more responsibility for identifying and tackling problems, they are also more likely to ‘learn by doing’, which in turn can spark innovation.

Regional knowledge centres for immigrants (Denmark)

Help local economies to move up the value chain

Government programmes can influence both employer competitiveness strategies (how a company organises its work to gain competitive advantage in the markets in which it is operating) and product-market strategies, which determine in what markets the company competes.
Use of skills at work

Most frequent use = 4

Index of use

<table>
<thead>
<tr>
<th>Skill</th>
<th>United States</th>
<th>Japan</th>
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<tbody>
<tr>
<td>Reading at work</td>
<td>2.2</td>
<td>2.0</td>
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<td>Writing at work</td>
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<td>ICT at work</td>
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</tr>
<tr>
<td>Problem solving at work</td>
<td>2.2</td>
<td>0.0</td>
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</tbody>
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Least frequent use = 0
Gender gap in wages and in the use of problem-solving skills at work

After accounting for occupations, industry and proficiency
Create more high value-added jobs

Government programmes can influence both employer competitiveness strategies (how a company organises its work to gain competitive advantage in the markets in which it is operating) and product-market strategies, which determine in what markets the company competes.

'Better, not cheaper' (Germany)

Silicon Valley (US)

Riviera del Brenta (Italy)
Helping employers to make better use of their employees’ skills

In case of under-skilling, public policies can help to identify workers with low levels of foundation skills and offer an incentive to both employees and employers to invest in skills development to meet the requirements of the job. When the skills are not adequately used, better management practices are needed. As workers assume more responsibility for identifying and tackling problems, they are also more likely to ‘learn by doing’, which in turn can spark innovation.

Regional knowledge centres for immigrants (Denmark)

Training programmes for highly qualified refugees (Netherlands)

Help local economies to move up the value chain

Government programmes can influence both employer competitiveness strategies (how a company organises its work to gain competitive advantage in the markets in which it is operating) and product-market strategies, which determine in what markets the company competes.

Investors in People (UK)

Employer Ownership of Skills (UK)

Growth and Innovation Fund (UK)

Foster entrepreneurship

Centre for entrepreneurs (Germany)
economies to

value chain

Employer competitiveness strategies (how a company
operates in the markets in which it is operating) and product-
...in what markets the company competes.

Foster entrepreneurship

Ethnic Minority Business Service (UK)

Centre for entrepreneurs (Germany)
Help young people gain a foothold in the labour market

Make skills more transparent

Facilitate internal mobility

Helping employers to make better use of their employees’ skills

Create more high value-added jobs

Foster entrepreneurship

Help local economies to move up the value chain

Helping employers to make better use of their employees’ skills

In the current challenging public policy context, it is important to ensure that skills developed through education and training are relevant and meet the needs of the labor market. This requires flexibility and an iterative approach to the development of training programs and qualifications.

Create more high value-added jobs

Governments must take an active role in promoting economies that are competitive and sustainable, which enables them to generate high value-added jobs. One way to achieve this is through strategic investments in education and training programs.

Foster entrepreneurship

Supporting the growth of local economies is crucial for fostering entrepreneurship. This can be achieved through policies that encourage innovation and investment in new technologies.

Help local economies to move up the value chain

Helping employers to make better use of their employees’ skills is essential for driving economic growth. This involves developing and implementing policies that support continuous learning and skill development.

Make skills more transparent

Efforts must be made to ensure that skills are clearly defined and that employers have access to up-to-date information about the skills demanded by the labor market. This can be achieved through the development of comprehensive skills frameworks.
High quality initial education and lifelong learning

- Investing in high quality early childhood education and initial schooling, particularly for children from disadvantaged backgrounds
- Financial support targeted at disadvantage
- Opportunities and incentives to continued development of proficiency, both outside work and at the workplace.
Lessons from strong performers

Make learning everybody’s business

• Governments, employers, workers and parents need effective and equitable arrangements as to who does and pays for what, when and how

• Recognise that individuals with poor skills are unlikely to engage in education on their own and tend to receive less employer-sponsored training.
Effective links between learning and work

- Emphasis on work-based learning allows people to develop hard skills on modern equipment and soft skills through real-world experience
- Employer engagement in education and training with assistance to SMEs
- Strengthen relevance of learning, both for workplace and workers' broader employability.
Lessons from strong performers

Allow workers to adapt learning to their lives

- Flexibility in content and delivery (part-time, flexible hours, convenient location)
- Distance learning and open education resources.
Lessons from strong performers

Improve transparency

- Easy-to-find information about adult education activities
- Combination of easily searchable, up-to-date online information and personal guidance and counselling services
- Less educated workers tend to be less aware of the opportunities
- Recognise and certify skills proficiency.
Lessons from strong performers

Guidance
- Timely data about demand for and supply of skills
- Competent personnel who have the latest labour-market information at their fingertips to steer learners
- Qualifications that are coherent and easy to interpret.
Help employers make better use of workers skills

- Flexible work arrangements that accommodate workers with care obligations and disabilities
- Encourage older workers to remain in the labour market
- Encourage employers to hire those who temporarily withdrew from the labour market.
Help economies move up the value chain

- Governments can influence both employer competitiveness strategies and product-market strategies, which determine in what markets the company competes
- Strengthen 21st century skills
- Foster entrepreneurship.
Strengthening skills systems

Skills strategies need a strong horizontal and vertical dimension
- Life stages and policy dimensions
- Recognise and respond to local needs
- Capitalise on global value chains

Developing relevant skills
- Anticipating changing demands for skills
- Improving quality and equity of education and training

Activating skills supply
- Identifying inactive individuals and why they are inactive
- Creating incentives that make it pay to work
- Demolishing non-financial barriers to participation in the labour force
- Helping people work longer
- Learning from start

Contributes to economic prosperity

Contributes to social cohesion

Putting skills to effective use
- Sharing costs fairly among governments, individuals, and employers
- Sharing labour market and learning-related information, common reporting
- Gathering and comparing evaluation, monitoring, and performance management data across the system
- Tripartite structures, stakeholder consultations

iety
Limited communication and trust between ministries and levels of government
Lack of political willingness and support for a whole of government approach

Barriers

Lack of co-ordination between agencies
Complex and lengthy procedures for sharing information
Conflicting funding arrangements

Governments alone can only achieve so much
Skills strategies need a strong horizontal and vertical dimension

Life stages and policy dimensions

Recognise and respond to local needs

Capitalise on global value chains

Strengthening skills systems

Institutions and mechanisms are needed that recognise the interdependence between different parts of the skills system and ensure effective collaboration

Sectoral conferences, skills councils, tripartite structures, stakeholder consultations

Sharing labour market and learning-related information, common reporting

Gathering and comparing evaluation, monitoring and performance management data across the system

Provide better information about the skills needed and available

Help young people gain a foothold in the labour market
A whole-of-society approach
OECD’s National Skills Strategy projects help countries figure out how different policies interact and align them.

**Prioritising investments**

It is costly to develop a population’s skills, so skills policies need to be designed so that these investments reap the greatest economic and social benefits.

**Combining short-term and long-term considerations**

Effective skills policies are needed to respond to structural and cyclical challenges, such as rising unemployment when economies contract or acute skills shortages when sectors boom, and to ensure longer-term strategic planning for the skills that are needed to foster a competitive edge and support required structural changes for an uncertain future.

**A lifecycle perspective**

that addresses the diverse needs of the population

By seeing skills as a tool to be honed over an individual’s lifetime, a strategic approach allows countries to assess the impact of different kinds of learning – from early childhood education through formal schooling to formal and informal learning throughout a lifetime – with the aim of balancing the allocation of resources to maximise economic and social outcomes.

**A whole-of-government approach**

From policy design to implementation to evaluation

Skills policies straddle a broad range of policy fields, including education, science and technology, employment and social policies. In addition, there are links to many other policy fields such as economic development, migration and integration, or public finance. Aligning policies among these diverse fields helps to avoid duplication of efforts and ensure efficiency. It also helps policy makers to identify policy trade-offs that may be required.

**Aligning perspectives of different levels of government and multiple stakeholders**

With major geographical variations in the supply of and the demand for skills within countries, there is a strong rationale for considering skills policies at the local level. This would help countries to align national aspirations with local needs.
OECD’s National Skills Strategy projects help figure out how different policies interact and any inefficiencies.

Prioritising investments

It is costly to develop a population’s skills, so skills policies need to be designed so that these investments reap the greatest economic and social benefits.

Combining short-term and long-term considerations

Effective skills policies are needed to respond to structural unemployment when economies contract or acute skills shortages occur. They should encourage longer-term strategic planning for the skills that are needed and support required structural changes for success.
investments

policies need to be designed so that these economic and social benefits

Combining short-term and long-term considerations

Effective skills policies are needed to respond to structural and cyclical challenges, such as rising unemployment when economies contract or acute skills shortages when sectors boom, and to ensure longer-term strategic planning for the skills that are needed to foster a competitive edge and support required structural changes for an uncertain future.
A lifecycle perspective that addresses the diverse needs of the population

By seeing skills as a tool to be honed over an individual’s lifetime, a strategic approach allows countries to assess the impact of different kinds of learning – from early childhood education through formal schooling to formal and informal learning throughout a lifetime – with the aim of balancing the allocation of resources to maximise economic and social outcomes.

A whole-

From policy...
Literacy skills and age

- Literacy unadjusted
- Numeracy unadjusted
- Numeracy adjusted
- Literacy adjusted

Score

Age

15 20 25 30 35 40 45 50 55 60 65
Effective skills policies are needed to respond to structural and cyclical challenges, such as rising unemployment when economies contract or acute skills shortages when sectors boom, and to ensure longer-term strategic planning for the skills that are needed to foster a competitive edge and support required structural changes for an uncertain future.

Perspective needs of the population

Individual’s lifetime, a strategic concept of different kinds of learning – schooling to formal and informal – of balancing the allocation of time and social outcomes.

A whole-of-government approach

From policy design to implementation to evaluation

Skills policies straddle a broad range of policy fields, including education, science and technology, employment and social policies. In addition, there are links to many other policy fields such as economic development, migration and integration, or public finance. Aligning policies among these diverse fields helps to avoid duplication of efforts and ensure efficiency. It also helps policy makers to identify policy trade-offs that may be required.

Perspectives of different levels of government and multiple stakeholders

Graphical variations in the supply of and the demand for skills within countries, and rationale for considering skills policies at the local level. This would help countries to align national aspirations with local needs.
A whole-of-government approach from policy design to implementation

Skills policies straddle a broad range of policy fields, including education, technology, employment and social policies. In addition, there are other fields such as economic development, migration and integration, etc. Coordinating policies among these diverse fields helps to avoid duplication of effort. It also helps policy makers to identify policy trade-offs that matter.

Aligning perspectives of different levels of government and multiple stakeholders

With major geographical variations in the supply of and the demand for skills within countries, there is a strong rationale for considering skills policies at the local level. This would help countries to align national aspirations with local needs.
A whole-of-society approach
For more information

To discuss OECD’s work with countries on building more effective skills strategies contact: andreas.schleicher@oecd.org

To learn more about the OECD’s work on skills visit: www.oecd.org/skills/