

Key Issues and Priorities Brief: Skills

This Priority Brief provides input for the ILO Global Commission on the Future of Work. This document is part of three briefs which describes the most important labour market topics for social partners & policy-makers to address in the 21st century.

As the dynamic of economies increases, so does the labour market demand. Skills relevant right now, risk becoming obsolete in five years' time. To permanently contribute to the creation of value one needs to adapt more often. Secondly, the creation of value evermore often involves a digital aspect. Being able to work with digital means is growing more important, regardless of one's generation, sector or career path. Fostering the ability to learn and creating broad access to relevant skills are crucial to create sustainable employment and growth.

Update Skills

If investing in skills wasn't a sound strategy for workers, employers and governments in the 20th century, it will certainly be so in the 21st century. Yet, the most important element of skills development is that the timeframe of skills relevancy will decrease. Therein lies the challenge for the ILO Global Commission on the Future of Work (hereafter: the FoW-Commission). It must inspire and stimulate workers, governments and business to prioritize creating frameworks for labour market transitions in which skills are one part of the equation.

1. Avoid skilling for the void

Just stimulating 'skilling' will not cut it. All the education in the world will make no difference when workers and businesses are tangled and tied up in employment legislation, or active labour market policies (ALMP) discourages (re-)skilling or labour market participation as such. The FoW-Commission should embed it's skilling recommendations – and the ILO instruments therein - in a broader 21st century strategy to responsibly guide and manage labour market transitions.

2. Education is the best income security

Ever too often do unemployment benefits depend on statutory applying to vacancies. In a world where skills demand will change more frequent, displaced workers will lack the skills & competence of existing job openings. Periods of (anticipated) unemployment should therefore be perceived as opportunities for up- and reskilling by workers and businesses. The FoW-Commission should challenge governments and social partners to develop ALMPs that are about incentivizing training, rather than temporary income support.

3. Create portable training rights

The FoW-Commission should not hesitate start creating urgency around the question of resources for training. Part of the solution lies in providing for workers to build up training benefits that are portable and transferable regardless of the sector, contractual arrangement or job they work in over the course of their life. This allows for better access and control by the people that are going to need these funds to up- or re-skill. Secondly, bundling scattered sectoral training funds would improve inter-sectoral mobility and transition of displaced workers.

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4. Develop access to education in all live phases

To support people make the best of their working life, they need to be able to access affordable and formal education that improves their labour market chances. Governments must work with (public and private) educators and employers to optimize education systems for students of all ages, make sure the right skills are taught and support (potential) students in accessing training resources.

5. Promote learning on the job: Apprenticeships

For many youngsters the best way of finding their way to the labour market is by combining work and education. Apprenticeships, vocational training and internships are key in providing crucial work experience and a stepping stone to the labour market. Furthermore apprenticeships strengthen ties between educators and employers and allow them to engage on real-time skills needs. The FoW-Commission should inspire,

support, stimulate and embrace social partners creating apprenticeships, regardless of the form of work in which they're offered.

6. Develop transferrable skills and 'Learnability' in particular

Given the uncertainty and dynamic of skills needs, governments and social partners have a role to equip the workforce with the competences to deal with change inside or outside a particular job, task or contract. This means integrating skills that are transferrable from one task to another. Key transferrable skill is the ability to learn new job/task-specific competencies., or 'Learnability'. In advising and leading workers and businesses, the skills to adapt on the labour market should be front and centre in the FoW-Commission's report.

7. Develop soft skills

In the 20th century humans interacted with machines for their productivity. In the 21st century humans will interact with humans while being supported by machines. This requires a different skillset, and therefore a different assessment of the necessary basic skills for employability. The FoW-Commission has a clear role to lead and support national social partners, public and private education organisations and governments to developing soft skills within the workforce.

Employer ranking of most important skills and greatest skills gaps, percentage				
Ranking	Socio-emotional	High-order cognitive	Basic cognitive	Technical
<i>Most important skill</i>				
1	79.2	16.7	0.0	4.2
2	41.7	37.5	12.5	8.3
3	45.8	26.2	8.3	16.7
4	45.8	33.3	4.2	16.7
5	40.9	31.8	9.1	18.2
Total (avg.)	50.8	29.7	6.8	12.7
<i>Greatest skill gap</i>				
1	20.0	46.7	0.0	33.3
2	53.3	26.7	0.0	20.0
3	53.3	33.3	6.7	6.7
4	60.0	26.7	0.0	13.3
5	21.4	57.1	7.1	14.3
Total (avg.)	41.9	37.8	2.7	17.6

Source: Cunningham, Wendy; Villaseñor, Paula. 2016. *Employer Voices, Employer Demands, and Implications for Public Skills Development Policy Connecting the Labor and Education Sectors (English)*. Policy Research Working Paper; no. WPS 7582. Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/444061468184169527/Employer-voices-employer-demands-and-implications-for-public-skills-development-policy-connecting-the-labor-and-education-sectors>

8. Develop quality labour market knowledge

Together with innovative businesses, governments should strive to provide the best labour market information possible to workers and businesses. Up-to-date quality labour market data underpins any successful active labour market policy and supports businesses and workers to adapt to changing labour market conditions. It provides workers insight in skills shortages in order to develop into the right direction. The FoW-Commission should embrace and support any public or private initiative that improves the quality of labour market information.

9. Embrace private initiatives

Although education and a life-long learning is great public concern and challenge indeed, the FoW-Commission should leave no stone unturned to embrace private initiatives that provide solutions to this common challenge on all levels of the labour market. Whether is about providing real-time labour market information, training on the job or online training solutions, the market has ample innovative solutions available for the FoW-Commission to look towards the future of work and skilling with confidence and hope!