A COORDINATED POLICY APPROACH TO SKILLS ISSUES: THE OECD CENTRE FOR SKILLS

Montserrat Gomendio
Deputy Director of the OECD Directorate for Education and Skills
Head of the Centre for Skills
WHY?

Many trends shape education and skills. Skills are important for tomorrow’s world.
TRENDS SHAPING EDUCATION AND SKILLS

GLOBALISATION

TECHNOLOGICAL CHANGE

DEMOGRAPHIC CHANGE

FAMILY

CITIES
WHAT DO WE MEAN BY SKILLS?

- GENERIC COGNITIVE SKILLS
- TECHNICAL, PROFESSIONAL, SECTOR-SPECIFIC SKILLS
- SOCIO-EMOTIONAL SKILLS
Higher skill proficiency associated with improved social outcomes.

Increased likelihood of adults scoring at level 4/5 in literacy compared with adults scoring at or below level 1.

- High levels of political efficacy: 2.59
- Participation in volunteer activities: 2.55
- High levels of trust: 2.30
- Good to excellent health: 2.11

Source: OECD Skills Outlook 2013
SKILLED WORKERS ARE LESS LIKELY TO HAVE ROUTINE JOBS

CORRELATION BETWEEN COUNTRY-INDUSTRIES’ EMPLOYMENT SHARE IN HIGH ROUTINE JOBS AND AVERAGE WORKERS’ SKILLS

Source: OECD SKILLS OUTLOOK 2017, FIGURE 2.19
MANY ADULTS LACK BASIC SKILLS

SHARE OF ADULTS LACKING BASIC LITERACY AND/OR NUMERACY SKILLS

%

Source: OECD SKILLS OUTLOOK 2017, FIGURE 1.7
LOOKING BACKWARDS – IALS TO PIAAC

DISTRIBUTION OF WORKERS BY LITERACY PROFICIENCY

IALS 1990s

PIAAC 2010s

Source: COMPUTERS AND THE FUTURE OF SKILL DEMAND, FIGURE 2.2 (ELLIOTT, 2017)
## PIAAC Literacy: OECD Adults vs. AI

<table>
<thead>
<tr>
<th>Proficiency Level</th>
<th>OECD Adults</th>
<th>AI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 and below</td>
<td>53%</td>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
<td>35%</td>
<td>Close</td>
</tr>
<tr>
<td>4-5</td>
<td>11%</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: COMPUTERS AND THE FUTURE OF SKILL DEMAND, FIGURE 2.2 (ELLIOTT, 2017)
• We can do better than the OECD average of 11%
  o Adults with tertiary education: 21%
  o Adults in Japan with tertiary education: 37%

• But improvements are hard
  o Decreased 2 percentage points since 1990s

• No examples at scale with most adults at Level 4-5
  o Would be a problem if literacy was the only work skill
HOW?
<table>
<thead>
<tr>
<th>Category</th>
<th>Actors</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GOVERNMENT</strong></td>
<td>Central Regions, Local</td>
<td><strong>RESPONSIBILITY?</strong></td>
</tr>
<tr>
<td><strong>EDUCATION AND TRAINING PROVIDERS</strong></td>
<td>Public, Private</td>
<td><strong>ACCOUNTABILITY?</strong></td>
</tr>
<tr>
<td><strong>OTHER STAKEHOLDERS</strong></td>
<td>Learners, Employers, Social partners</td>
<td><strong>QUALITY CONTROL?</strong></td>
</tr>
</tbody>
</table>
COLLABORATION IS KEY: ACROSS OECD AND THE GOVERNMENT

OECD
- Directorate for Education and Skills
- Directorate for Employment, Labour and Social Affairs
- Economics Department
- Local Economic and Employment Development
- Directorate for Science, Technology and Innovation
- Centre for Tax Policy and Administration
- Directorate for Public Governance and Territorial Development

GOVERNMENT
- Ministry of Education
- Ministry of Employment
- Ministry of Economy
- Regional Development Agency
- Ministry of Research/Science
- Ministry of Finance
- Ministry of Public Administration
WHAT IS MEANT BY A HORIZONTAL APPROACH TO SKILLS ISSUES?
COORDINATING SKILLS POLICIES ACROSS THE LIFE CYCLE
LEARNING AT EVERY STAGE OF LIFE

INITIAL EDUCATION
Development of solid skills mixes, readiness to learn, capacity to learn from online sources

VET AND HIGHER EDUCATION
Development of advanced skills – labour market skills – and social and emotional skills

WORLD OF WORK
Access to training to develop specific skills, and to keep up to date

FAMILY

COMMUNITY
Access to formal education and training to keep up to date and address major skills gaps

Public and private institutions, social partners, local governments, various actors to coordinate
A TERTIARY DEGREE DOES NOT GUARANTEE SKILLS

SHARE LACKING BASIC SKILLS BY EDUCATION LEVEL (%)

Below upper secondary
Upper secondary or post-secondary
Tertiary

Czech Republic
Finland
Netherlands
Japan
Norway
Australia
Sweden
Denmark
Estonia
New Zealand
Germany
Austria
England/N. Ireland (UK)
Flanders (Belgium)
Slovenia
Russian Federation
Canada
Lithuania
Korea
Poland
United States
Ireland
Israel
Greece
Slovak Republic
Singapore
Turkey
Chile

ALIGNING SKILLS POLICIES WITH OTHER POLICY AREAS
WITH TAX POLICIES
ALIGN FINANCIAL INCENTIVES FOR SKILLS DEVELOPMENT

Breakeven Earnings Increment: how much earnings need to increase for an individual after this skills investment so that they earn back the costs of that investment over their remaining years in the workforce.

Source: OECD TAXATION AND SKILLS, FIGURE 4.17 (OECD, 2017)
WITH MIGRATION AND RESEARCH POLICIES
ALIGN POLICIES FOR GLOBAL COMPETITIVENESS

SHARE OF INTERNATIONAL OR FOREIGN STUDENTS IN MASTERS OR DOCTORATES, %

Source: OECD EDUCATION AT A GLANCE 2016, TABLE C4.1
WITH POLICIES INFLUENCING WOMEN’S PARTICIPATION IN A DIGITAL ECONOMY

SHARE OF WORKING MEN AND WOMEN WHO ARE ICT SPECIALISTS, %

Source: OECD DIGITAL OUTLOOK 2017, FIGURE 4.23
WITH POLICIES INFLUENCING
THE ADOPTION OF NEW TECHNOLOGIES

SHARE OF INDIVIDUALS WHO DO NOT USE CLOUD COMPUTING BECAUSE OF SECURITY AND PRIVACY CONCERNS, %

Source: OECD DIGITAL OUTLOOK 2017, FIGURE 6.3
THANK YOU!

Montserrat Gomendio,
Deputy Director of the OECD Directorate for Education and Skills
Head of the Centre for Skills