Making Skills Programs Work

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Many Different Sorts of Skills

Many skills, diverse gaps

- Different types of skills that matter for employment and productivity:
  - Problem-solving skills
  - Learning (foundational) skills: ability to acquire new knowledge
  - Communication skills
  - Personal skills: self management, sound judgment, managing risk
  - Social skills: team, manage client relations, leadership, resolve conflict, etc.
  - Technical skills: job/production specific
- As countries become richer and move up the value added chain, skills needs of economy change
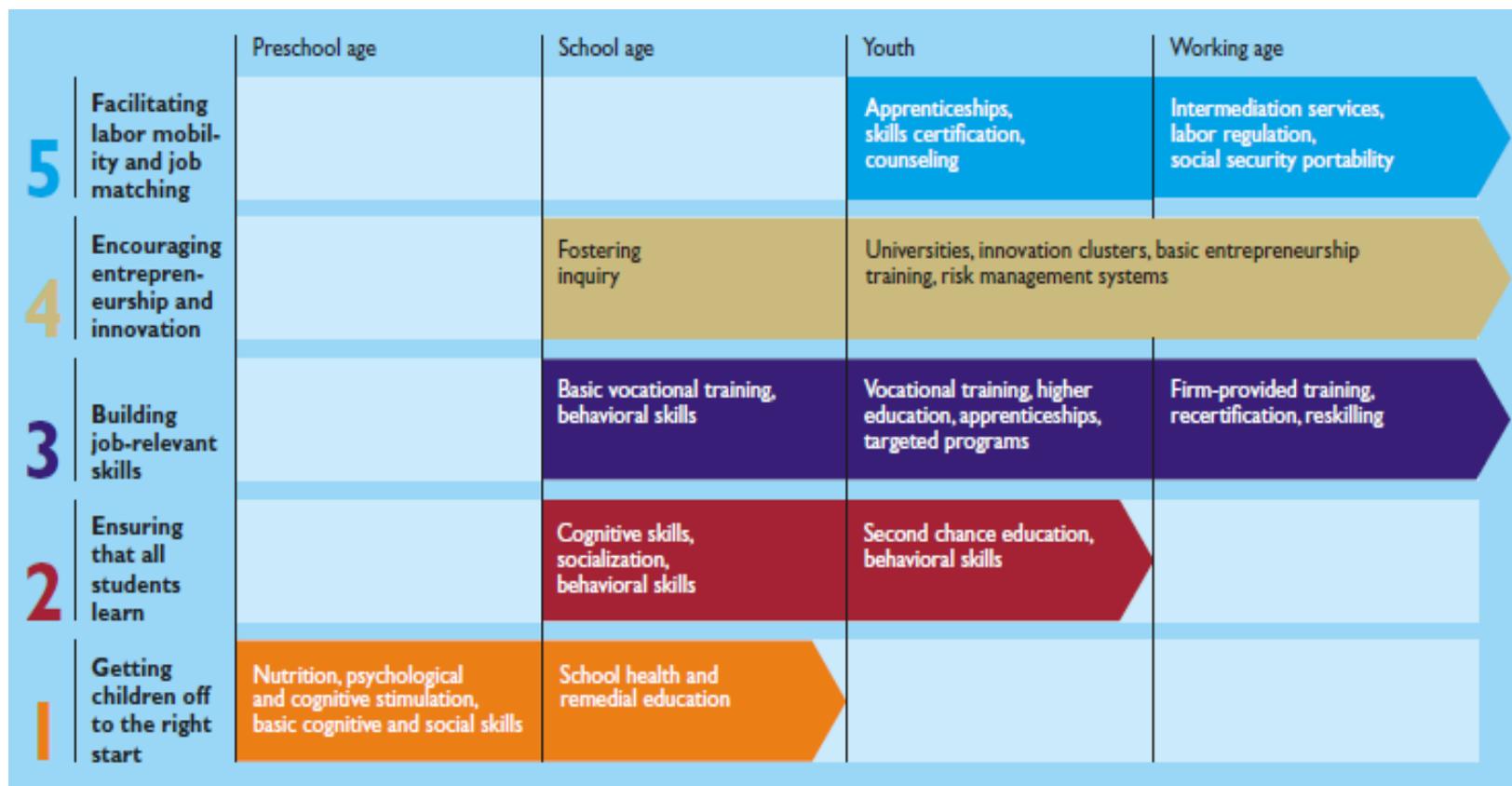
Global Trends related to Skills

- Wage differentials are rising between skilled and unskilled workers in many regions

- Skilled jobs are growing faster than unskilled employment

- Knowledge-based industries are expanding rapidly and with them the demand for 'new skills'

- Unskilled workers are increasingly more vulnerable to job loss, extended unemployment, and declining real wages

Analytical Framework: Stepping Up Skills for Employment and Productivity (1)|

Source: World Bank 2010.

Analytical Framework: Stepping Up Skills for Employment and Productivity (2)|

	Preschool age	School age	Youth	Working age
5 Facilitating labor mobility and job matching			Apprenticeships, skills certification, counseling	Intermediation services, labor regulation, social security portability
4 Encouraging entrepreneurship and innovation		Fostering inquiry	Universities, innovation clusters, basic entrepreneurship training, risk management systems	
3 Building job-relevant skills		Basic vocational training, behavioral skills	Vocational training, higher education, apprenticeships, targeted programs	Firm-provided training, recertification, reskilling
2 Ensuring that all students learn		Cognitive skills, socialization, behavioral skills	Second chance education, behavioral skills	
1 Getting children off to the right start	Nutrition, psychological and cognitive stimulation, basic cognitive and social skills	School health and remedial education		

Source: World Bank 2010.

5

Lessons of Experience: Basic Skills

- ***Introduce literacy and soft skill development modules as part of programs…***
  - in most countries, large numbers of school goers drop out early; and large parts of the workforce have little knowledge and few skills that would make them more employable.
  - Introducing modules focused on literacy and soft skills as part of basic and secondary education and training programs can help break the vicious circle of the unskilled being trapped in jobs that require little skills, establish accessible pathways for acquiring skills (e.g. Vietnam, Russia).

Lessons of Experience: Role of Government

- ***Government has a critical role to play…***
  - mainly in regulation, standard setting , M+E, and selective financing (e.g. Australia)
  - should not expand role in provision – this often comes as a cost of neglecting roles mentioned above.
  - Explore innovative public-private partnerships (e.g. Korea)

Lessons of Experience: Financing

- ***Introduce performance financing of programs …***
  - Currently, nearly all public funding of is input based.
  - A shift in this relationship towards financing linked to outputs/outcomes will be critical to make training more relevant for labor market needs. (e.g. Brazil)

Lessons of Experience: Employers

- ***Ensure employers play a critical role in system….***
  - Employers need to have an important voice at the table at the policy level
  - At the institution level – employers need to be involved in management of institutions and decide on how resources are spent and what type of investments to make
  - Relatedly – this can only work if institutions have the academic and financial autonomy to make decisions and are held accountable for them (e.g. Chile)

Lessons of Experience: Private Providers

- **Clear and lenient laws result in a vigorous response from private providers.**

- **Public funding can encourage private provision of programs – through leveling the playing field between public and private sector** (e.g. Czech Republic).

- **Commercial programs are the first to proliferate the private market, but rapid industrial growth can lead to strong private supply of technical training** (e.g. Indonesia).

Lessons of Experience: M+E

- ***Participate in the international or develop a national systems of testing for competencies/skills:***
  - Development of a national skills assessment will be a challenging endeavor, and will require political commitment and patience (and technical capacity).
  - Countries can make a start by considering participating in a few systems that are present – for example, SABER and STEP (World Bank) and PIAAC (OECD) which will allow them to get valuable experience at relatively low cost.
  - Always, always, always evaluate programs - feed lessons into improving design.