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"Anticipating and matching skills and jobs"

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Executive Summary

The gap between labor force skills and labor market demand for skills is hampering economic growth in many countries around the world, underscoring the need for systematic foresight of skill needs. Skill anticipation is a systematic and strategic procedure of predicting future labour market demands and matching them with potential suppliers. In this respect, it informs all labor market actors about potential skill demands and shortages going forward. This helps avoid skill mismatches, enables informed and appropriate decision-making, and promotes the development of appropriate skills.

Need for skill anticipation

The world labour market is limited by the lack of appropriate skilled workers blocking further economic progress. The number of unemployed youths is on the rise while many employers report lack of skill-matched applicants. This skills gap is increasing economic and social costs and causing structural unemployment. Skills-job mismatches are an economic challenge, with many companies facing a shortage of workers with the right skills around the world. Diverse factors are impacting the labor market, including the spread of education, globalization, and technological innovation that are changing the demand for skills, as well as new skill needs due to climate change. These dynamic changes necessitate skill anticipation for appropriate response.

What is skill anticipation?

Skill anticipation is a series of processes which analyze future labor market trends and forecast the skill demands. It is aimed to provide information of future skills demands which will enable educational and training institutions, businesses, and governments to make efficient investment decisions and plans. Skill anticipation assesses the supply-demand balance in the labor market and supports decision-making to meet needs and avoid imbalances.

Key Components of Skill Anticipation

As one component of a broader labor market information system (LMIS), skills prognostication can be broken down into the following key elements: Data, Analytical methods, Tools, and Institutions.

■ **Data and Data Sources**

The labor force, education, and demographic data is compiled from a wide range of sources that provide central statistical agency information, unemployment and vacancy records at public employment security offices, household, and social surveys, as well as data from school records. Through household and business surveys, data reflecting the demand for specific occupations and skills will also be collected.

■ **Analytical Methods**

Both quantitative and qualitative approaches will be employed. Macroeconomic modelling is used as quantitative approaches to predict sectoral and occupational employment. While qualitative techniques will use a combination of insights from multiple stakeholders, including focus groups, round tables, expert interviews, foresights, and scenario development in anticipation of the future. Other ways include establishment skills surveys for generating unique demand-side data on skill needs and skill utilization, tracer survey of school and training graduates, and school to work transition surveys. These methods are used in combination to predict future skill needs and potential outcomes.

■ **Tools**

The tool provides good practice on how to employ data, methods, and approaches in developing and implementing a system of skills anticipation. They must be interpreted and adapted to the country-specific context.

■ **Institutions**

The role of institutions in skills anticipation is established through the involvement and complementarity of diverse institutions like governments, educational institutions, and trade unions. Each of these institutions is required to promote the process of skills anticipation by contributing to data coverage and diffusion, offering multi-dimensional analyses, and creating an avenue for social dialogue. Therefore, some countries have set up national tripartite bodies to coordinate these efforts of the organizations. Skill gaps for specific sectors of industries will be addressed by special institutions of that industry. Sector-specific agencies also serve as a platform for dialogue involving stakeholders. In addition, employment service agencies also play a role in capturing short-term demand.

Issues, Utilization, and Significance of Skill Anticipation

It is difficult to provide reliable and consistent data in skills anticipation, select the appropriate methodologies, and also due to limited institutional capacities and available expertise. In particular such as developing countries a major issue is the large size of informal economy. There are also challenges of stakeholder commitment, incorporating grassroots information, and reflecting results in policy.

Skills anticipation results are utilized for design and finance planning of educational and professional training programs, vocational guidance and counselling in careers, and policy making. The remarkable economic growth experienced by emerging economy such as South Korea and Singapore can be accredited to future-oriented skills strategies. In developed countries as well, strategies focused on skills and employment have achieved a reduction in skill mismatches and a reduction in inequality.

For the case of using skill anticipation in solving actual problems and policymaking, it is important that it be promoted as a private-sector-led collaborative project with clear objectives and from the user's perspective. It should provide an avenue for social dialogue and be able to reflect the real voices of the frontlines in policy making. Only when it must be able to cover data from multiple perspectives, from macro to micro, and work in tandem with a network of competent experts, so that only then will it be possible to implement policies that capture the whole picture.

Conclusion

Skills anticipation is vital towards enhancing labor market effectiveness as well as avoiding skill mismatch. An efficient system of skills anticipation also increases adaptability of education programs that are important for policy makers, educational institutions, employers, and workers. Accurately identifying future skill demands through a multifaceted approach and taking appropriate action will contribute to the development of individuals and the labor market. There are many challenges to achieving systematic skill forecasting due to data and other limitations. Key will be social dialogue and institution building.

Recommendation for Qatar

Currently, Qatar is building a broader LMIS that reflects actual data through job postings, in addition to central statistics and administrative data. It would be useful to establish a domestic tripartite body, etc., with participation from various stakeholders, including industry into the management and coordination of LMIS at large – data collection and analysis, policy planning and implementation etc. Although it will permit highly precise determination of skill demand and ensuing action plans, there are issues such as potential policy change and excessively high expectation of roles based on British experience (UKCES). Therefore, a private sector led organization with long term finances and low government dependability and a wide labour market analysis need. The advantages of stakeholder participation should be addressed alongside these issues.