



BUILDING THE RIGHT SKILLS AND TURNING THEM INTO BETTER JOBS AND BETTER LIVES: THE OECD SKILLS STRATEGY

Dr Cristina Martinez-Fernandez, Senior Policy analyst
OECD LEED

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What is the OECD?

What OECD is

- ✓ International organisation
- ✓ 34 member countries
- ✓ Established over 50 years ago
- ✓ Mission: to promote better policies for better lives

How we work

- ✓ Engage governments and other stakeholders
- ✓ Produce comparative data
- ✓ Compare policy experiences across countries to draw together lessons and policy options for countries
- ✓ link together policies across different sectors to achieve better outcomes





The OECD LEED Programme

- Mission: To contribute to building more and better jobs in the OECD and beyond
- Body created 30 years ago to :
 - Provide cross-cutting analysis of *employment, skills and economic development issues*
 - identify innovative solutions to unemployment, which can be mainstreamed
 - generate guidance on policy implementation: ensure that policies are *delivered effectively*



Why a OECD strategy for skills? **Skills matter...**

for individuals...

- because skills have an increasing impact on labour market outcomes and social participation

... and for economies

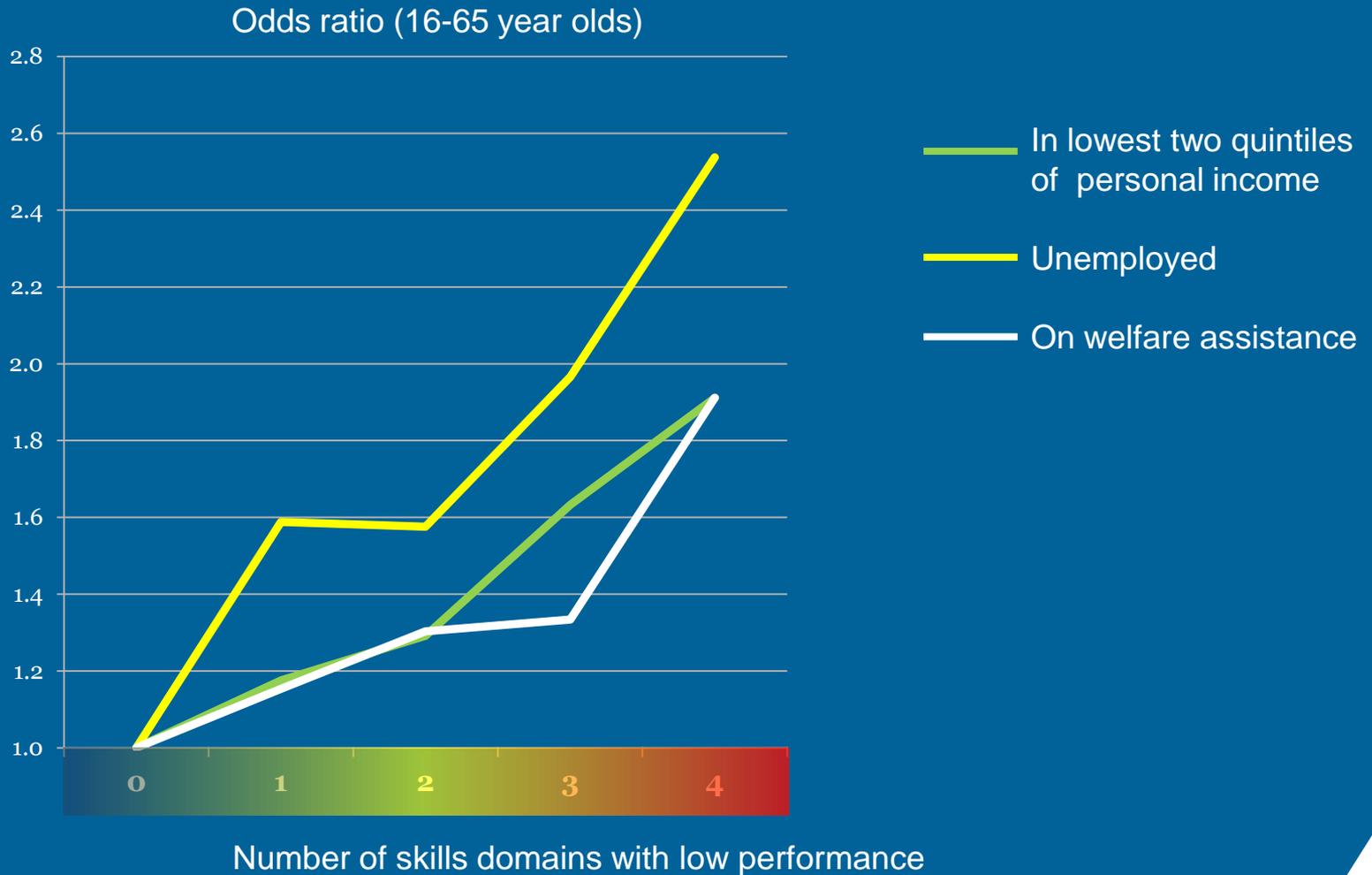
- because failure to ensure a good skills match has both short-term consequences (skills shortages) and longer-term effects on economic growth and equality of opportunities

But better skills *do not automatically* translate into higher incomes and higher productivity

- Ineffective skills policies come at a cost



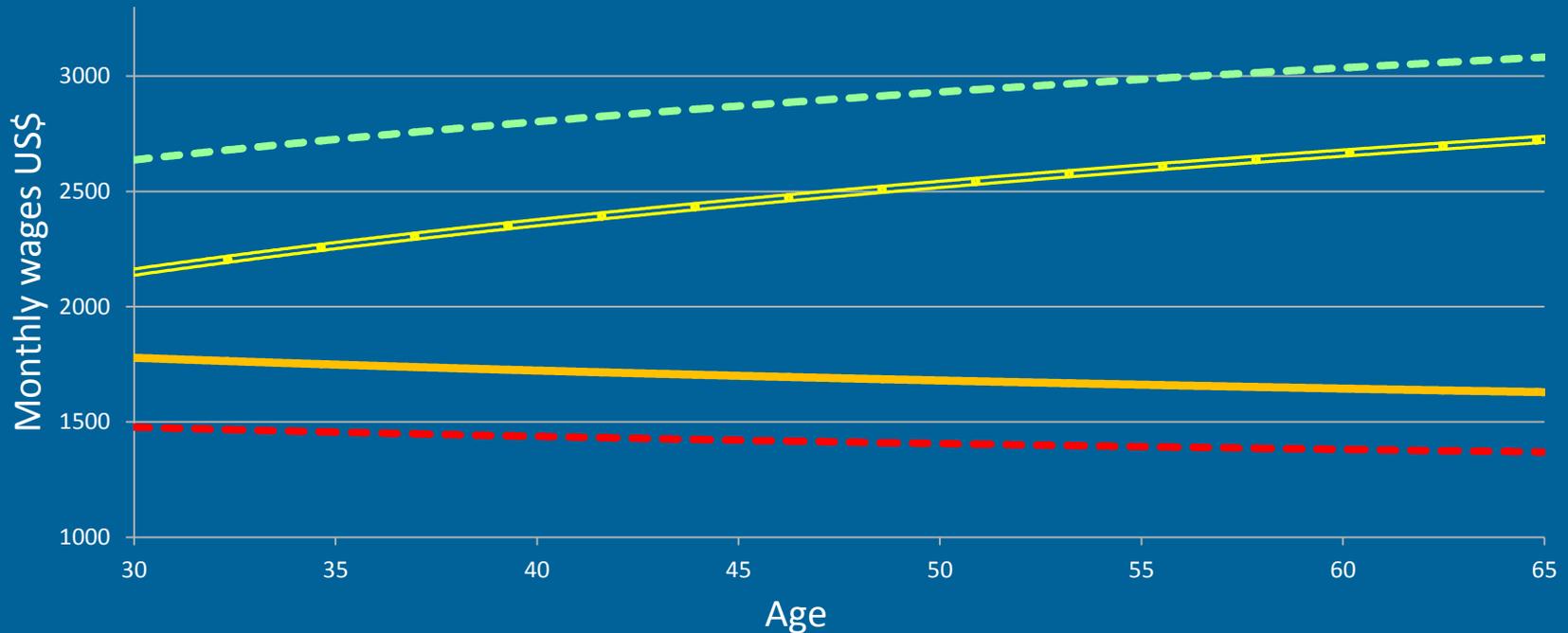
Low skills and individual outcomes



Note: Odds are adjusted for age, gender and immigration status
Source: PIAAC field trial data



Skills mismatch and earnings



- HIGH-SKILL MATCH (high basic skills, high use)
- SKILL DEFICIT (low basic skills, high use)
- SKILL SURPLUS (high basic skills, low use)
- LOW-SKILL MATCH (low basic skills, low use)



OECD Skills Strategy





How does a country maximise its skills?

Developing relevant skills



Activating skills supply



Putting skills to effective use

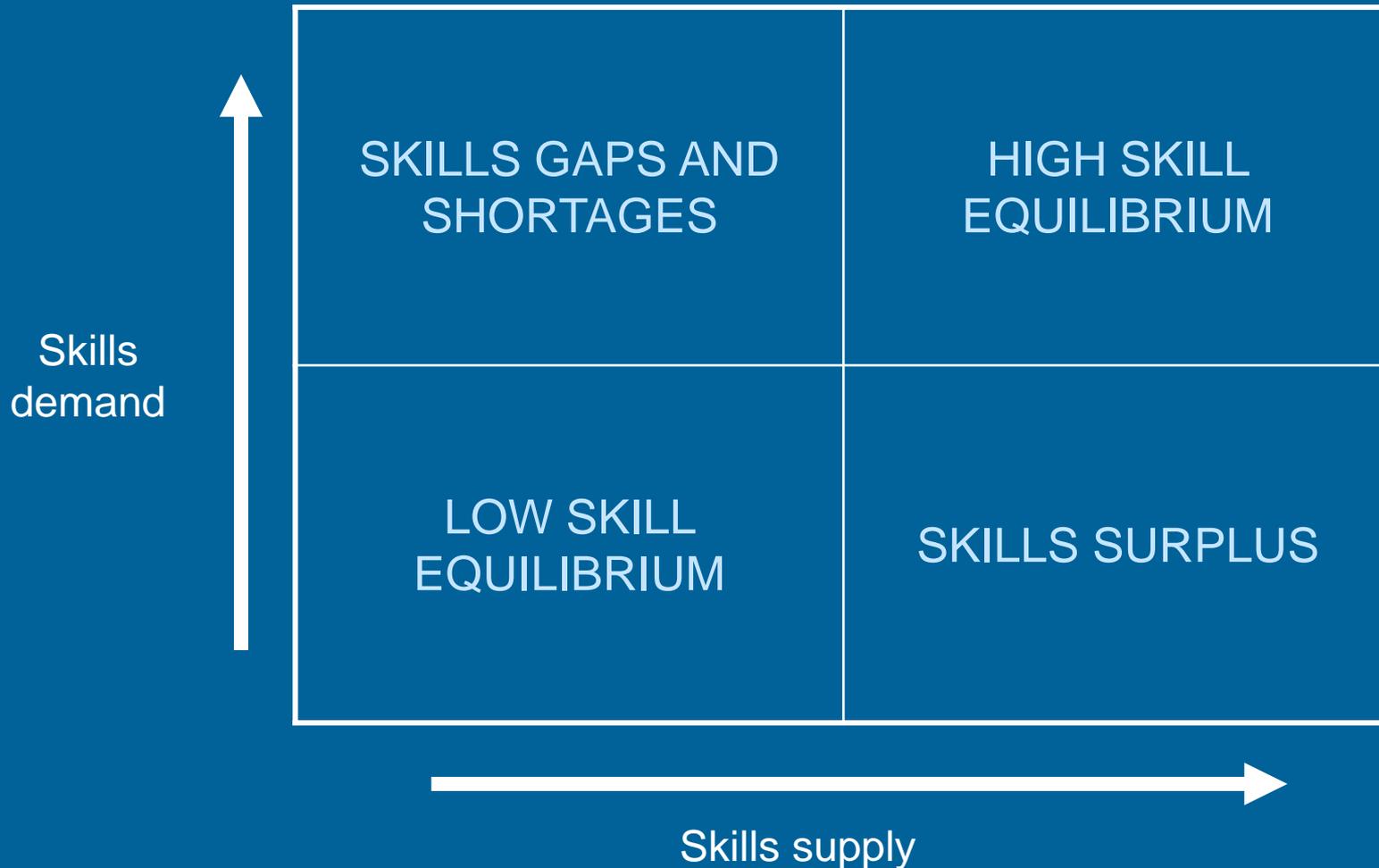
- ✓ Encouraging and enabling people to learn throughout life
- ✓ Fostering international mobility of skilled people to fill skills gaps
- ✓ Promoting cross-border skills policies

- ✓ Encouraging people to offer their skills to the labour market
- ✓ Retaining skilled people in the labour market

- ✓ Creating a better match between people's skills and the requirements of their job
- ✓ Increasing the demand for high-level skills

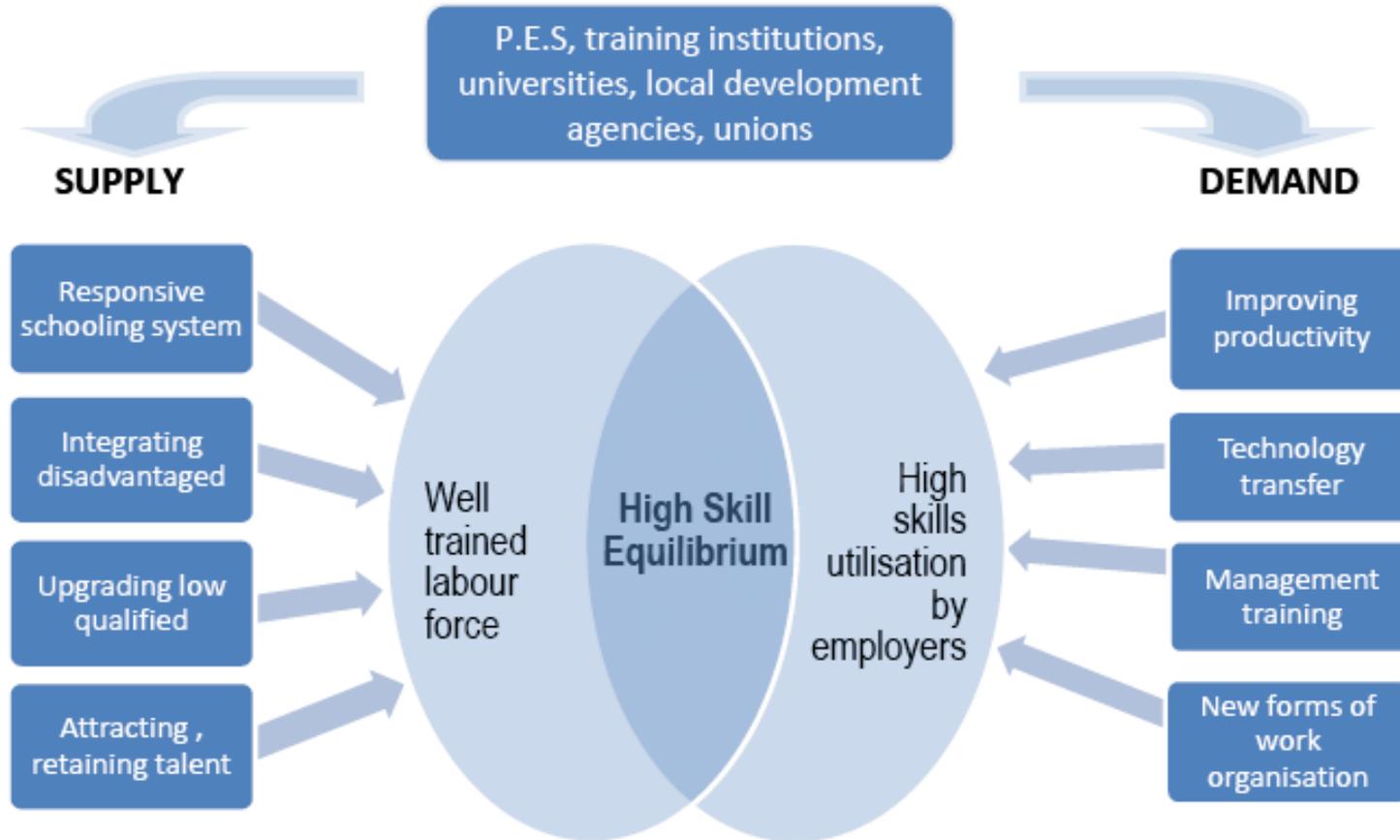


Skills utilisation: Geographical differentiation





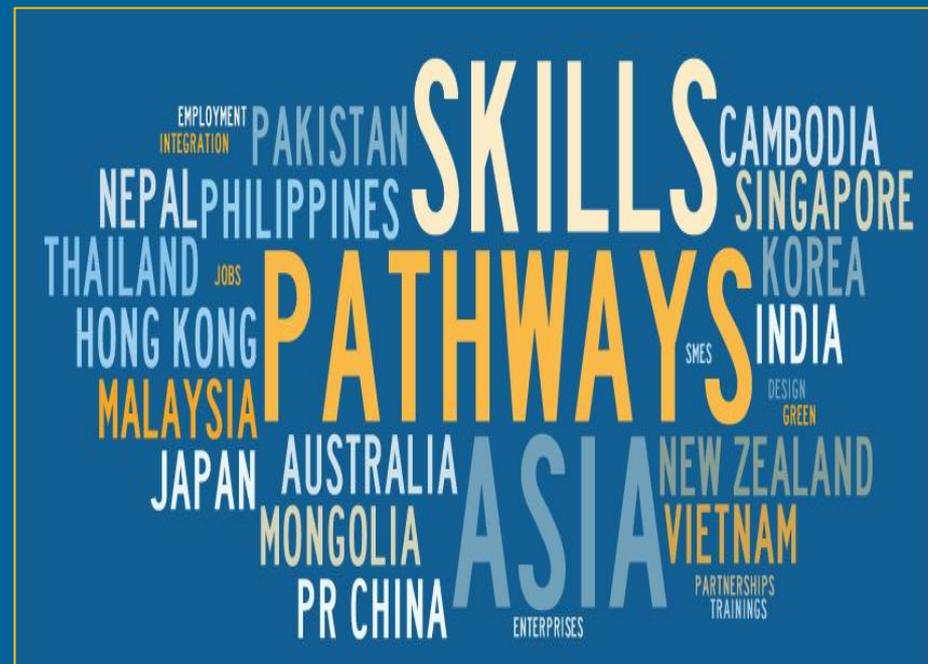
Skills utilisation: Local skills strategies





Tailoring policy guidance to Asia

- Improving skills systems in Developing Asia
- Boosting skills and knowledge intensity in firms, including in the informal economy
- Tackling mismatch
- Designing local skills strategies & ecosystems
- Building effective partnerships





THANK YOU

- **Employment and Skills Strategies in Southeast Asia – OECD ESSSA Initiative**
www.oecd.org/cfe/leed/employment/esssa
- **and clearspace site (open access)**
<https://community.oecd.org/community/esssa>

