

Skills Development in time of Continuing Job Crisis:

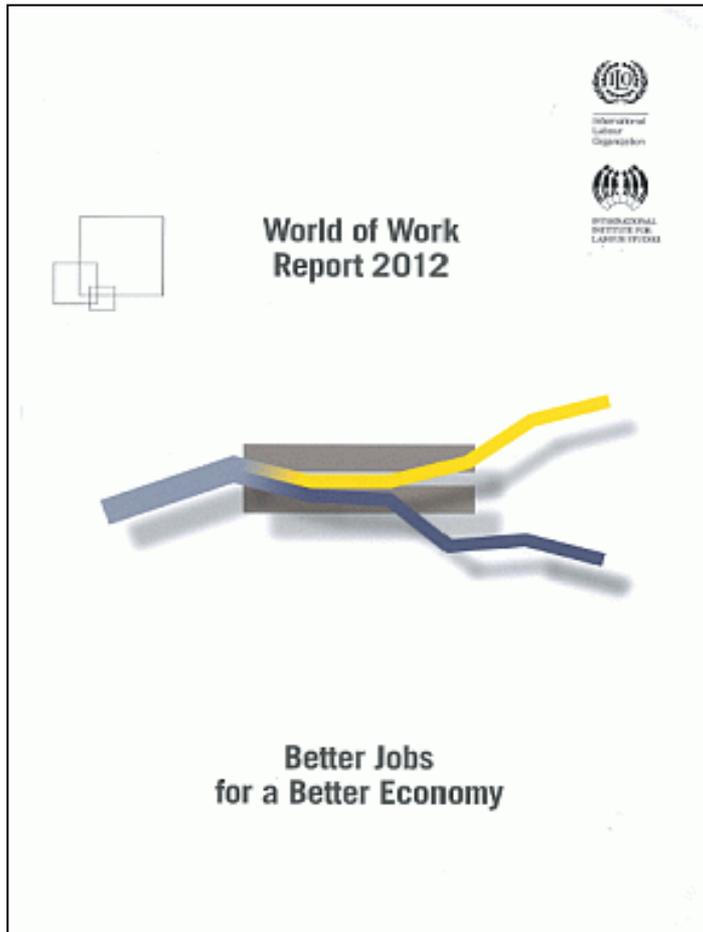
World of Work Report 2012 and other reports & implications for effective skills strategies

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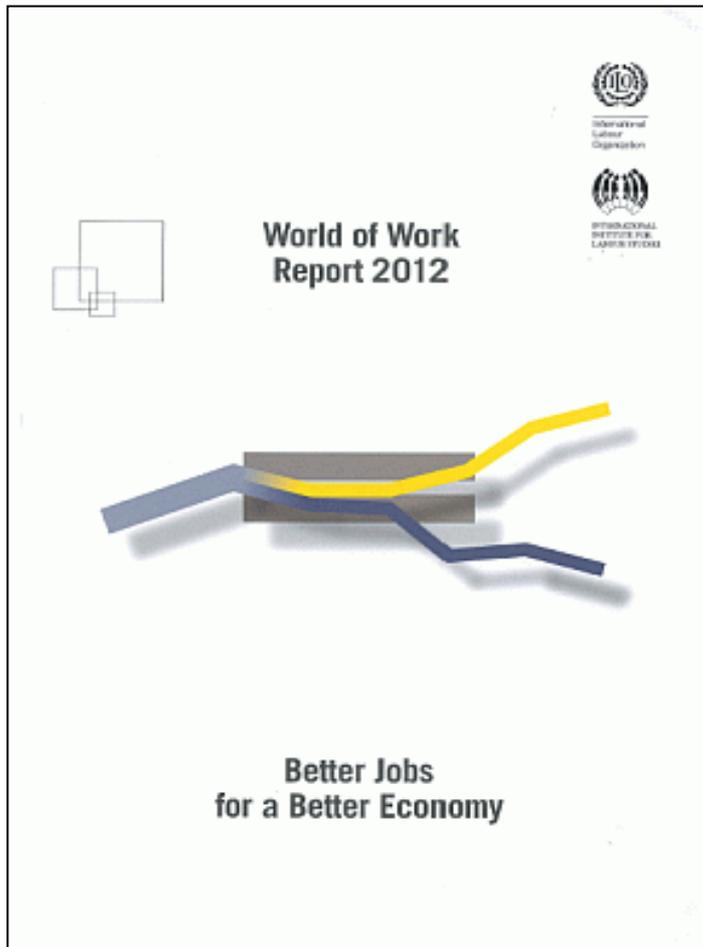
ILO's World of Work Report 2012



- ▶ 50 million jobs still needed to bring employment back to pre-crisis level
- ▶ The crisis led to the three stages of crisis responses & impact i) initially with a more job-centered approach with public spending, and then ii) increased austerity measures, and deregulation, now iii) deepening job crisis for many countries
- ▶ Austerity and deregulation are not working to tackle job crisis



ILO's World of Work Report 2012 -ii



- ▶ Austerity and deregulation have led to adverse impact on job quantity and quality
- ▶ In over 90% of countries that implemented austerity measures, unemployment rates are still above 2007 levels (almost half of them unemployment increased by end of 2011)
- ▶ Youth unemployment rates have increased (80% of advanced economies and in two-thirds of developing countries)
- ▶ Poverty rates increased (50% of advanced economies and one-third of develop. countries)
- ▶ Rise in involuntary, part-time and temporary work
- ▶ Job recovery prospects bleak for Europe, but many emerging/developing countries have performed reasonably well.



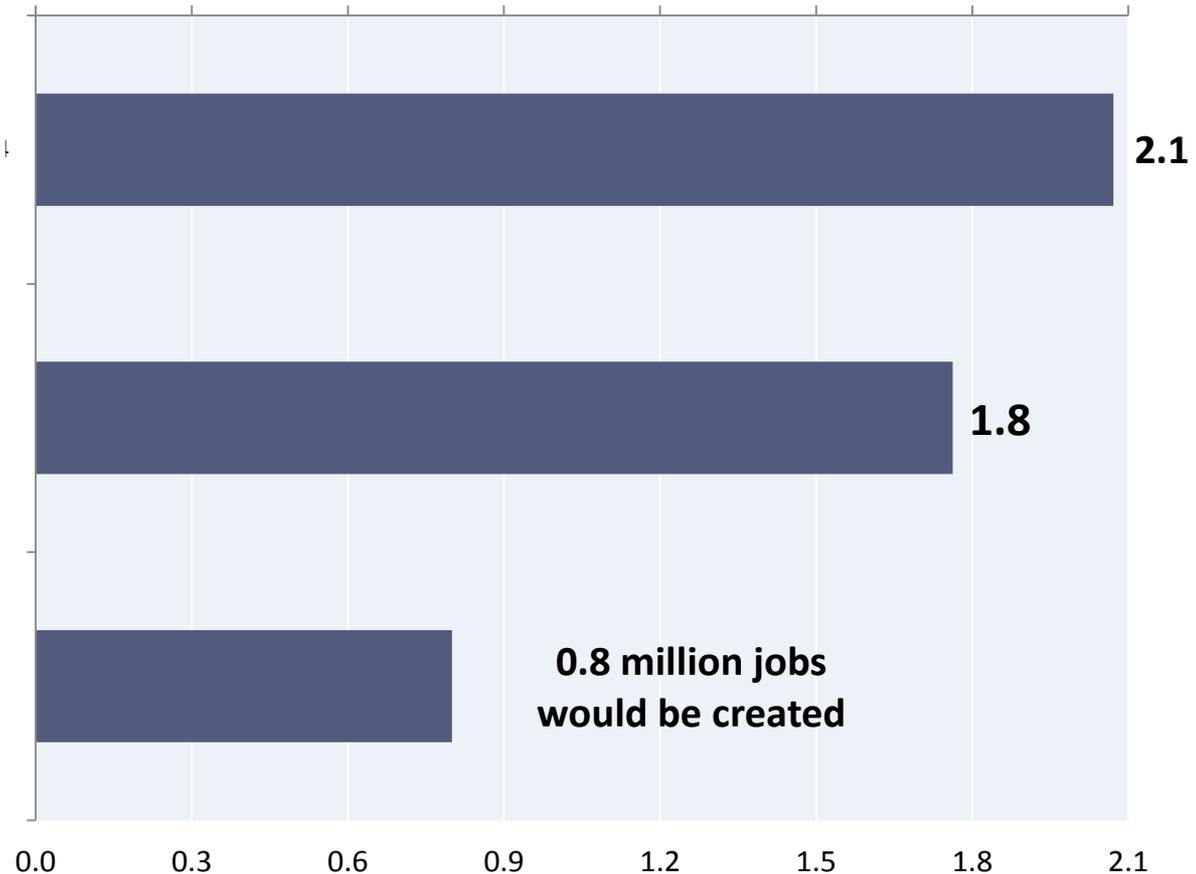
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Alternatively, Public investment, safeguarding employment & prudent fiscal management can create more jobs

Scenario 1: ↑Public investment and social benefits, financed by ↑in indirect taxes.

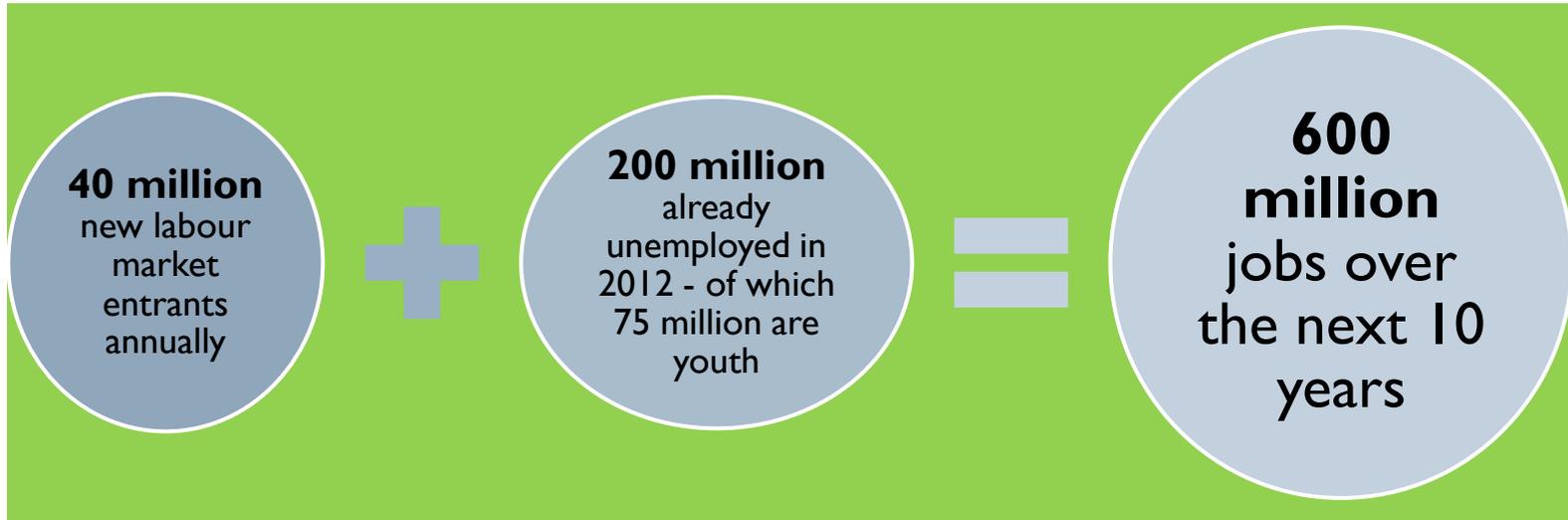
Scenario 2: ↑Public investment and social benefits, financed by ↓interest on debt and ↑in direct taxes.

Continued policy mix**



▶ A few countries managed to generate jobs while reducing the no. of informal employment (Indonesia, Brazil, Uruguay)

“600 million jobs needed”, Global Employment Trends 2012



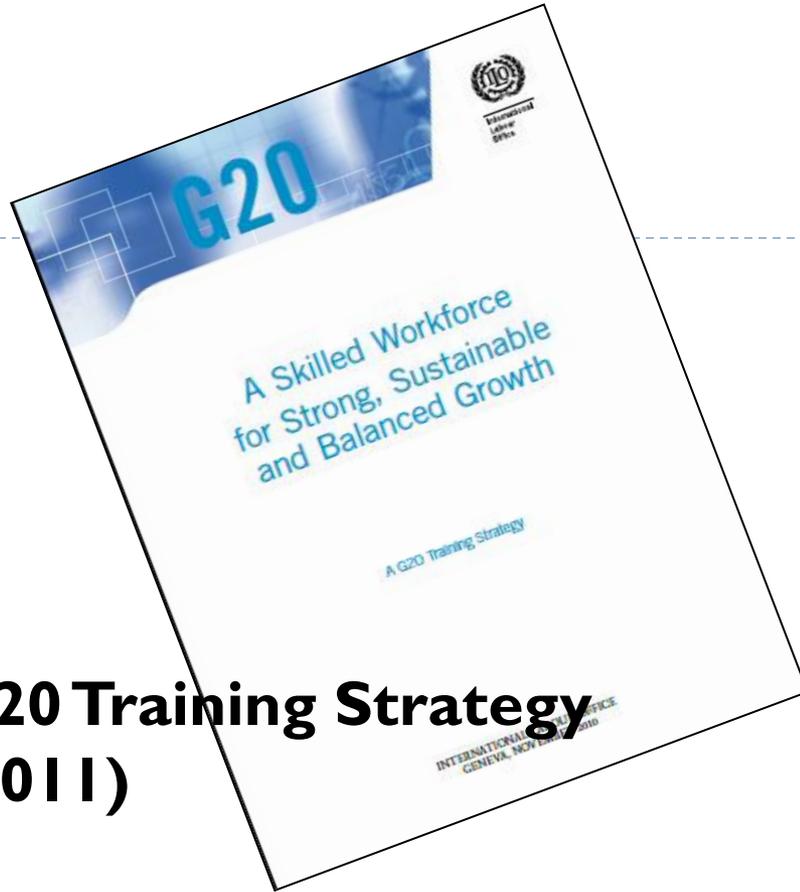
Plus

900 million for creating decent jobs for the estimated workers living with their families below the US\$2 a day poverty line, mostly in developing countries

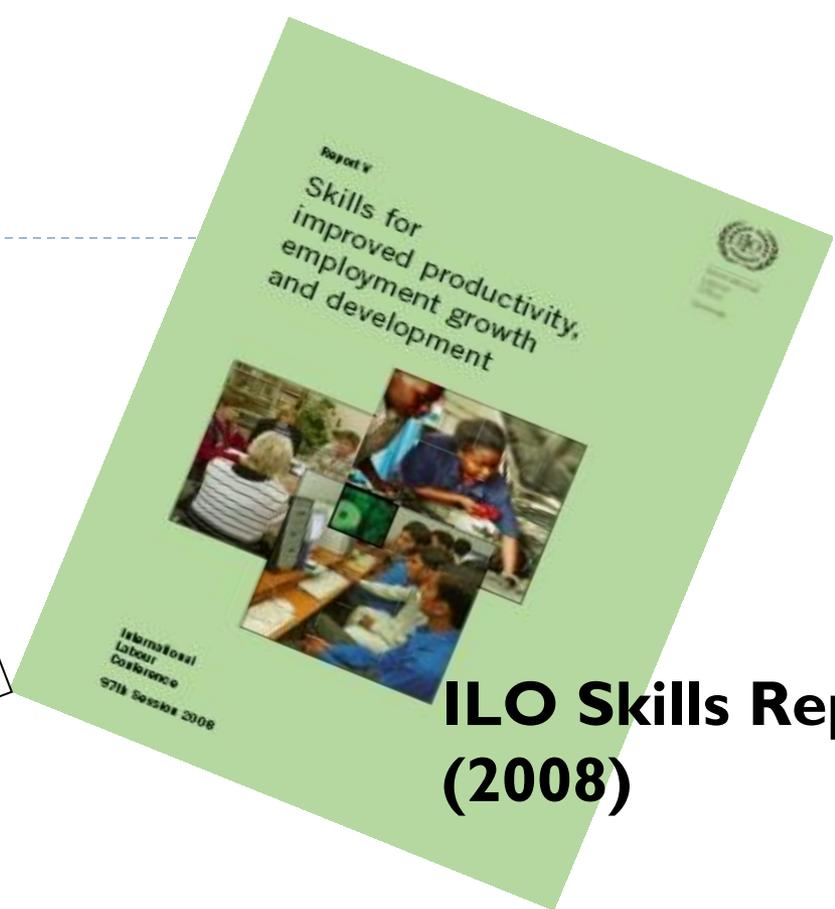


Youth employment -2012

- 40% of the jobless worldwide are young people
- 75 million unemployed youth (15-24 year olds) out of 200 million
- Higher numbers economically inactive – not in school, not in training, not in work.
- Almost half of the youth unemployed – 45%, 36.4m, are in Asia and the Pacific, which accounts for two thirds of the global workforce
- **quality of jobs** is deteriorating: More temporary, low paid jobs, and more jobs in the informal economy
- Risks of social unrest; risks of lifelong poverty



**G20 Training Strategy
(2011)**



**ILO Skills Report
(2008)**

How can skills development help countries achieve Strong, Sustainable and Balanced Growth?

How can skills development help improve productivity and increase employment to attain development goals?

<G20 Strategy builds on the ILO skills report/strategy and extends its outreach>

Linking skills development to Decent Work

From a Vicious Downward Circle...

Unavailable or low quality education and training:

- Traps the working poor in low-skilled, low productive, low-wage jobs
- Excludes workers without the right skills from participating in economic growth
- Discourages investment in new technologies

To a Virtuous Circle...

More and better skills make it easier to:

- Innovate and adopt new technologies
- Attract investment and diversify the economy
- Compete in new markets,
- and thus **Boost job growth**

Countries that sustain a “virtuous circle” link education & skills and employment growth by...

1. Ensuring the broad availability of quality education
2. Matching supply to current demand for skills
3. Helping workers and enterprises adjust to change
4. Sustaining a dynamic development process: Use skills as a driver of change
5. Expanding accessibility of quality training: Social inclusiveness

HOWEVER...

The potential benefits of training are not realised without job-rich growth

▶ This is the message of both **G20 Training Strategy** for strong, sustainable and balanced growth & **ILO 2008 Skills report**

Countries that sustain a “virtuous circle” link education & skills and employment growth by...

Integrate skills into *national and sector* development strategies

Include skills in responses to *global* drivers of change:

- technology
- trade
- climate change



G20 Training Strategy

Building blocks for effective strategies

- Anticipating skill needs
 - Participation of social partners
 - Sectoral approaches
 - Labour market information and employment services
 - Training quality and relevance
 - Gender equality
 - Broad access to training
 - Finance
 - Assessing policy performance
-



THANK YOU

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