

Beyond Europe: How different international employment services anticipate skills demands

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1 Skills demand in a changing world of work

The recent economic crisis, it seems, has left a mark on the world of work and the different skills needed around the globe. Europe and North America have lost a reasonable amount of their manufacturing jobs that used to be the bread and butter of their vital economies. Classical occupations, such as those for miners or factory workers are often not replaced after workers retire. According to the OECD, those declining jobs have three times as many exits as entries. In the last years about 19% of manufacturing workers in the USA were over 54 and only 7% under 25, putting the world's still leading economy into the dilemma of juggling with dying manufacturing branches and at the same time a foreseeable lack of expertise in their long-standing industries (OECD: Employment Outlook).

Not all is bad news. India, China and South-East Asia are growing into employment power houses with new skills sets, in spite of increasing global unemployment. Latin America has had a milder impact on their labour markets, given their more conservative financial policy. Still the number of vulnerable job-seekers or indecent labour is overwhelming. And Africa yet deals with poverty and war devastating their labour markets but shows innovative trends around job creation through grassroot initiatives or social entrepreneurship (Emploiparlonsnet.fr).

There are more good aspects in this. The post-crisis environment also brings change into mindsets of employers, job-seekers, and labour market actors, such as public employment services. Today's global world of work requires a higher share of information. Companies and institutions need to integrate all kinds of data sets in the daily operations. The increasing amount of user-generated content on social networks or blogs needs to be quality-assured. And it is getting more and more usual for labour market actors to operate with future scenarios in their planning to help draft and govern labour policies and employment careers.

It also reflects the growing difference of employment segmentation through the fast pace of innovation. Growing placement possibilities in green jobs, life sciences and health, coaching and caring as well as in micro-entrepreneurship are a great asset to a developing workforce, but can also marginalize workers without an innovative set of skills (Gratton, p. 223-226).

Additionally, public finances are scarcer in times of austerity and call for creative and economic measures, sometimes at the fingertips of those who are looking for work themselves, thus bringing also more responsibility to the individual (ibid).

Trends say that by 2025 people will focus on productive experiences rather than on voracious consumption. This will require a higher level of specialization, like medieval craftsmen used to have. Valuable skills will be difficult to imitate or copy, outsourcing and technical replacement will stop being a core factor of the industry (The Economist, pp.2-5). Having said all that, the mayor challenge that the labour markets seems to be facing today, is to predict which skills and competencies will be in short supply in the coming years and which ones will become vulnerable.

2 The current role of public employment services

What are labour market actors, especially public employment services, currently doing to anticipate those requirements? Let's have a brief look at a current EU-study on the topic and a survey among members of the World Association of Public Employment Services to see the current self-assessment on that question:

Both reports suggest that the public employment services, that were researched, do put emphasis on observing the labour market. They draw their conclusions from it, but do not necessarily use the findings for proactive measures.

The WAPES report shows that from 65 responding institutions worldwide, 61 have the task of labour market information/statistics assigned to their portfolio. That places the task among the core ones, such as basic job brokerage and active labour market programs.

Assignment of duties public employment services

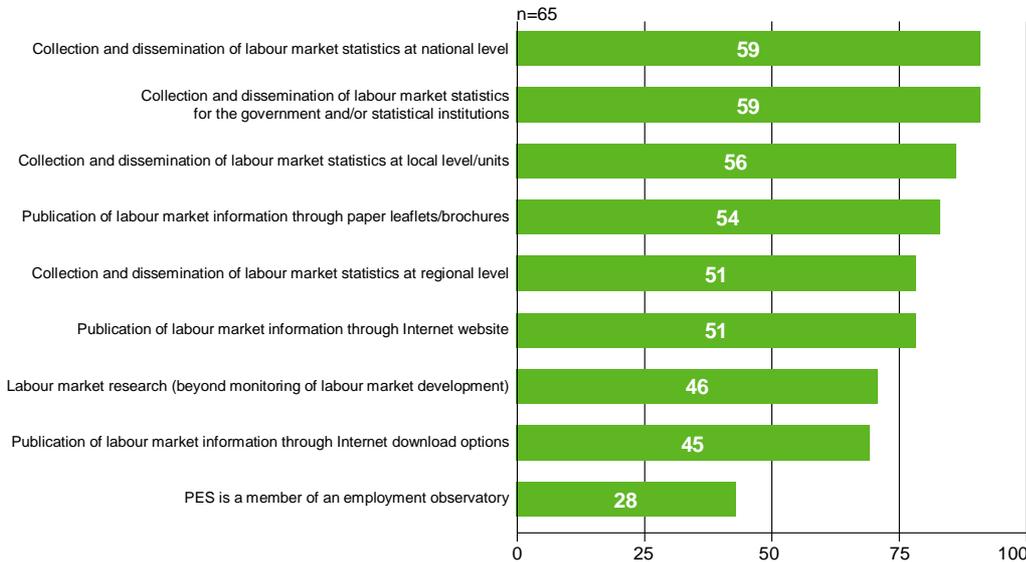
	yes	no	missings	total
job brokerage / job placement	63	2	-	65
labour market information/statistics	61	3	1	65
ALMP (incl. activation measures) to jobseekers and employers	61	2	2	65
administration and management of unemployment benefits	25	30	10	65
administration of other benefits	21	32	12	65
labour migration	41	15	9	65
vocational training	20	13	32	65
other measures	25	9	31	65

Source: WAPES survey 2011; response to question 201a

The EU study focused on employer's surveys as a tool to anticipate skills needs. The report of the study states that European public employment services use that method broadly, but also points out at obvious shortcomings. For instance, the skills demands that were identified in the surveys appeared to be in fields where the public employment services have a rather low share of job vacancies and job seeker profiles, by that hampering an efficient connection between the anticipation tool and the service delivery. In general, the anticipative factor in labour market information systems seems to be missing in a lot of respondent's organizations. One could say that the need for skills anticipation has not yet been fully implemented in the internal management systems or strategy of a number of public employment services. The findings of the WAPES survey move along the same line.

Figure 9:
Labour market information and statistics: provision of services

absolute figures, percent, proportion only: „yes“



WAPES survey 2011, Report

infas

While the majority of the public employment services that participated in the survey (91% in total) provide the collection and dissemination of labour market statistics on national level and for the government and/or statistical institutions, not all of them have monitored skills needs. Only 28 organisations of the WAPES sample are member of an employment observatory including a monitoring and anticipating aspect in their information system. The EU-study on skills anticipation in its conclusion recommends a base of labour market information “to plan the future by public employment services or to provide job-seekers with enough info for their own decision” (Warwick institute, p. 85). Instead of getting stuck with numbers, it continues, the management of public employment services should prioritize resources to make employer surveys more forward looking, e.g., by collecting more information about employers’ plans concerning future sub-contracting.

3 Success Factors for skills anticipation

The general outline of public employment services when it comes to skills anticipation seems improvable. A lot of initiatives and good experiences are however underway. They showcase innovative ways of dealing with current and future skills needs on the labour markets. The initiatives are as different as the regions they serve, but the success factors in them can be grouped into three global trends that in the view of this article reflect the way to go for skills anticipation in a changing world of work.

3.1 Communication between education and labour

The first success factor is to enhance the communication between labour market and education to support the development of new skills.

The connection as such has a troubled history. One of the mayor difficulties, economies all over the world are facing, is that their secondary and tertiary education, as well as their measures for further training, do not always match the labour market needs. By that they produce unemployment on different skill levels, including the highest, and leave other

sectors short of competencies. The mismatch is not to be blamed on schools and universities only, but can often be seen as the misperceived linear assumption that “most people go through education, enter into a job for life and finally retire” (European Network of Heads of Public Employment Services, p.4). Employers and public institutions have been creating their human resources and labour market policies around this, by labelling job-seekers too much according to their paper qualifications and too little going along with their potential.

The future requirements to skills and new ways of anticipating them pose a good opportunity to adjust this assumption and to make the application of life long learning and transversal skills across the public-private world a reality.

In Latin-America, where institutionalized employment services either do not exist yet, leaving job-seekers and vulnerable groups to their own devices, or they have been used as political tools in authoritarian systems and state-led industries up to the 1970s-80s, there are nevertheless some interesting approaches of skills anticipation and training to learn from.

Manpower Inc., a global recruiting and intermediation firm, calls “The Labor Paradox in Latin America” (Manpower Group, p. 2) what is the biggest labour market mismatch in the world. More than 32% of employers in the Americas say they can’t find experienced workers and that the workers they find lack technical skills (24%). The need for assessing and anticipating the demand for skills, is of particular urge in this region.

Some public employment services in Latin-America internal HR-measures make use of specialized job promoters, all of them trained public employment service experts, working in employment growth areas. They go into companies, sometimes on internship agreements between the public employment service and the employer to support HR planning in the company. This also helps to anticipate the demanded competencies and to design specialized training modules, also before the job-seeker enters the labour market.

Guatemala is strained by the high rate of informal labour. According to the Ministry of Labour, 65% of the capacity of the employment services there, goes into elaborating job profiles of job-seekers with long informal CVs and insufficient contract details provided by employers (Morales Tello, interview). The country is now, with the support of the Spanish government, introducing the ISCO-rationale and striving to implement informal skills in the classification of professions.

Notwithstanding those challenges, the public employment service has recently interviewed 2500 companies in the country to assess vocational training needs. Among others, green skills came high up in this survey. The public employment service is now looking into possibilities to link the findings of this survey to their employability measures to fight poverty. As the Ministry mentions, sometimes the encouragement of self-employment in those trainings can be a good way of reducing unemployment and serving the new skills demand at the same time.

Formujer was a project piloted in Costa Rica, Argentina, and Bolivia that gave another good example of the pragmatic connection that upskilling and employment could have outside the traditional setting of formal qualifications. The trainings of *Formujer* were targeted at women to increase their employability in a holistic manner, i.e. by providing transversal skills, technical skills and what they call “attitude skills”. Transversal skills are understood in much the same way as the European Union does. The labour market has become more volatile and diverse. Greater interest is for that reason going to non-formal learning and to soft skills. In the case of Latin American women this means, that the training revolved around strengthening the ability to adapt to change, active citizenship, and taking on a mindset, that is assertive to an environment of technology. The last point was backed by specific trainings to implement the women’s existing skills learned in the

household or in motherhood into technical/manual skills needed for paid jobs. The part on attitude skills, in conclusion, trained the participants in taking responsibilities outside of the traditional female role, negotiation skills, dealing with discrimination, and avoiding self-limitation.

This program trained more than 4000 women in the three countries providing over 25% of them with technical skills not traditionally regarded as “female”. Some 70% of the trainees received internships either in business or through micro-financing (Inter-American Centre for Knowledge Development in Vocational Training, p.14). The approach here was to equip the vulnerable group of women with general skills that are proved to be competitive, rather than expected. More than skills anticipation, such a measure is a fast-track educational response to what is happening on the labour market now, not necessarily in a couple of years. The same direction is taken by the Australian employment service, one that is believed to be among the most developed in the world.

The Department of Education, Employment and Workplace Relations in Australia states that the complexity and fluidity inherent in the labour market means there is no simple one-to-one match between labour demand and labour supply. It is making the process of anticipating future skill gaps or shortages near impossible. They prefer an alternative approach by implementing policies which encourage workforce flexibility to enable the labour market to respond quickly to changes in demand. The current “Skills for All” campaign reads:

The National Workforce Development Fund, announced by the government in the 2011–12 Budget, represents a new approach to the Commonwealth Government’s funding of skills training. The government is working in partnership with industry to identify priority skill needs and develop effective interventions that are industry-based, have the full involvement of Industry Skills Councils and draw on co-investment by industry itself to build or retrain the workforce of the future (...) Industry should be at the heart of the training system. (DEEWR)

The consultancy KPMG Econtech in 2010 identified that achieving all of the government’s skills objectives could lift Australia’s gross domestic profit (GDP) by up to 2.6 per each year cent during the period 2025 to 2040 and employment by 1.2 per cent over the same period, compared to what would occur without the reforms (ibid). The Australian employment policy is not following the trend of forecasting and intended proactivity anymore. It produces a range of information on current (rather than future) skill shortages and employers’ demand for labour. It then delivers the tools to react to it without lengthy educational cycles. All the mentioned education and training policies are substantiated by a strong connection to the employers needs (see also 2.3).

If the responsible actors for both, those who train skills and those who need them, work hand in hand from the beginning, anticipation of skills’ needs will be more effective.

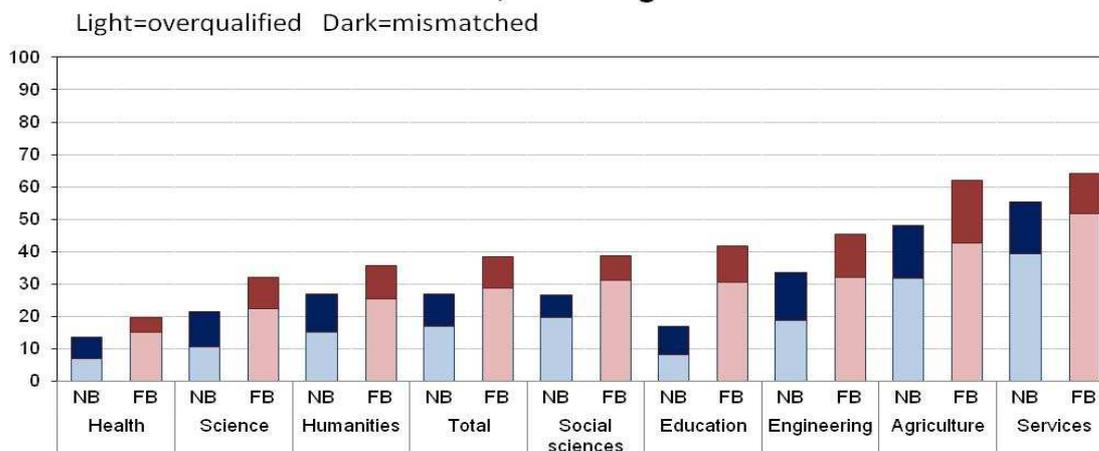
3.2 The impact of skills mobility

The second success factor in state-of-the-art skills anticipation is the recognition that the skills shortage on the different national labour markets can often only be helped through migration and mobility.

Anticipation needs to look across the national borders. This holds especially true for Europe, where the lack of qualified labour makes immigration from outside EU-boundaries increasingly required. Although the effects of changing demographics in the global environment have stopped being mere economic theory and have started to be felt on the labour markets of the developed world, the overall migration across borders stays at the low level of 2-3%. Europe has free movement and crossborder recognition frameworks for

skills, but still rates low in attracting qualified labour and in accommodating the foreign skills it already has in its countries.

Non-matching rates of tertiary-educated employed, by field of study, immigrants vs. native-born, EU-average 2006-2010



Source: OECD presentation about skills mobility by Georges Lemaitre, 21st March 2012, Bonn, Germany

Qualified foreign born (FB) job-seekers seem to be burdened by a mixture of “brain waste”, i.e. having their qualifications inactivated in low-skills job, underemployment and straightforward mismatch, often going along with forcing the migrant to learn a new job or set of skills from scratch. This is all the more unfortunate, as Europe does have a number of neighbouring countries with skilled workers ready to move abroad. How can a more targeted skills anticipation help compensating the imbalance?

The Maghreb region in North Africa is among the most relevant parts on earth for migration. Morocco, Algeria, Tunisia and Egypt, all have elaborated traditions of inhabitants going to look for work in other countries and returning. In 2000, with a resident population amounting to 135 million people and 7.4 million North Africans living abroad, the emigration rate for North Africa was about 5.5 %, double the world’s average. In 2010, 3,016.6 thousand Moroccans (9.3% of the total population), 1,211.1 thousand Algerians (3.4% of the total population), 651.6 thousand Tunisians (6.3% of the total population) and 3,739.1 thousand Egyptians (4.4% of the total population) were living abroad (EC-UN Joint Initiative, pp. 4-6). It is true that most of those migrants are unskilled (70% of Maghreb migrants have primary education or less). But the focus should not switch off here, because many migrants actually have a higher education, e.g. more than a third of Egyptian migrants.

In 2010 a fifth of the tertiary-educated Moroccans resided abroad. Tunisia, already before the Arab spring had over 12% of their skills elite moving abroad (ibid). That brings about a lot of practices that Maghreb labour market actors are using to gain from and improve the mobility of skills. One seems to be that the North African countries anticipate the mobility of skills by helping the migrant worker to assess possibilities to match his/her skills with the foreign labour market demand. The creation of the *Integrated Migration Information System* by the Egyptian Ministry of Manpower and Emigration, in collaboration with the International Organization for Migration (IOM) for example, provides Egyptians with information on the main destination countries (visa requirements, country profiles, etc), as well as an online job matching system connecting employers abroad with Egyptian job

seekers *before* they leave the country. A significant proportion of North Africa's higher educated workforce is unemployed in their home countries, "which is in part due to the fact that the focus of educational outcomes is not always in line with the needs of the most competitive economic sectors of the country in question." (World Bank, p.125). Hence, the phenomenon of "brain waste" can already take place in the countries of origin, while, let us say the Middle-East or Europe would need those skills. An anticipatory view over borders can help skills development.

The Maghreb states involve civil society organizations in the anticipation of skills around migrating and returning. Migrant organizations map the skills of Diasporas by creating professional rosters or databases, which require people to register and provide personal data, and which can be regularly updated. As migrants may be reluctant to register or provide personal information, strategies must be put in place to ensure that migrants' private information is protected, whilst ensuring that those seeking migrant expertise can have access to sufficient information in the database. The Moroccan government, for example, has recently established a 'Who is who' repertory registering the competences of the Moroccan migrants residing in Germany. Returning migrants that improved their skills portfolio abroad help upskilling local workforce upon arrival to their home countries. An Algerian project called *Le compagnonnage des migrants, un nouvel outil levier du développement du pays d'origine* departed from the identification of a vulnerable group of unemployed youth and aimed at providing them with the necessary skills to work and set up activities in the field of apiculture, through the mobilization of highly qualified migrants who contributed to the creation of ten beekeeping schools in their country of origin.

Skills mobility can help to build capacity in those fields, where are likely to be needed in the future. That way, it is not one country loosing brain and the other one gaining it for the rest of the working career, but rather a common approach of receiving and sending countries to both invest in skills and get a return on investment out of it. The skilled person as such is the third party to win in such a setting. This of course postulates a global perception of skills and skills mobility (and not only European, Asian etc.), and one that is best combined with the third success factor of skills anticipation.

3.3 Skills anticipation in partnership

The identification of skills demand, no matter whether for global or local talent, is growing more complex. It is not only the communication between education and the labour market that counts, but various other stakeholders need to get involved.

Partnerships with those, who create and offer jobs, mainly the private world, and also with other stakeholders are inalienable. How do employment partnerships help skills anticipation to be successful?

The Canadian government clearly expresses the opinion that public employment services can anticipate the skills needs of employers only through partnerships and research. The program "Working in Canada" is a source to identify skills needs by collating labour market information. Those include current job opportunities, prospects and outlooks from different sources, such as the Job Bank (Canada's largest bilingual source of job opportunities), Canadian Occupational Projection System (a ten year forecasts of occupational outlooks developed by the public employment service), and "CanLearn" (information on post-secondary education, developed in collaboration with provincial and territorial governments and Canadian learning and career development organizations).



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Priority Occupations

A priority occupation is one that the Government of Canada has identified after extensive consultations as being in high demand. You must have at least one year of continuous work experience in this occupation to be eligible to apply as a [federal skilled worker](#).

Note: For the 29 eligible occupations, as of May 8, 2012, the [maximum of 10,000 Federal Skilled Worker applications](#) has been reached.

These limits do not apply to applications with an [offer of arranged employment](#).

You may still generate a report to find out more information for a particular occupation.

Occupation Title	NOC
Restaurant and Food Service Managers	0631-0
Primary Production Managers (Except Agriculture)	0811-0
Professional Occupations in Business Services to Management	1122-A
Insurance Adjusters and Claims Examiners	1233-B
Biologists and Related Scientists	2121-A
Architects	2151-A
Specialist Physicians	3111-A
General Practitioners and Family Physicians	3112-A
Dentists	3113-A
Pharmacists	3131-A
Physiotherapists	3142-A
Registered Nurses	3152-A
Medical Radiation Technologists	3215-B
Dental Hygienists & Dental Therapists	3222-B
Licensed Practical Nurses	3233-B
Psychologists	4151-A
Social Workers	4152-A
Chefs	6241-B
Cooks	6242-B
Contractors and Supervisors, Carpentry Trades	7215-B
Contractors and Supervisors, Mechanic Trades	7216-B
Electricians (Except Industrial and Power System)	7241-B
Industrial Electricians	7242-B
Plumbers	7251-B

(Example of the skills information given by “CanLearn”)

The office of “Learning and Essential Skills” gives information on the skills that provide the foundation for learning and enable people to evolve with their jobs and adapt to workplace change. In addition, Working in Canada also identifies skills trends and needs through collaboration with internal partners such as the labour market information department of the public employment service and the section for foreign qualifications recognition, as well as external partners such as Statistics Canada, provincial/territorial governments and professional associations.

The Penang Skills Development Centre in Malaysia is another good example for skills anticipation in partnerships. Set up in 1989 to provide a more rapid response to business needs, the training centre is jointly led by the local industry, government agencies and a local university. It offers a wide variety of training for both member companies (from whom it receives fees) and the unemployed (through government grants). The local education and training system is keen to seize opportunities that arise to contribute more to attainment of local and national employment and job targets. (OECD/ILO, p.53ff)

In South Korea, a closer look to the structure of local job providers and improvement in partnering with them, have completely changed the numbers of trainings provided by state agencies to upskill job-seekers. A recent review by the Korean Employment Information Service has discovered that a number of their researches on so called skill shortage vacancies in Korea, have only covered demands from businesses of more than five employees. Assuming that employment rates of job-seekers that have just received training are on average 70%, KEIS calculated that the general demand for trained job seekers in skill shortage vacancies would total at 140.000 for 2011. After including the companies that employ five or less staff members, however, the figure raised to 226.000 giving the skills development policy an entirely different magnitude through anticipating and cooperating more broadly.

Vietnam, who is reforming its entire labour market, has created a national skills standard developing committee involving employers' and workers' representatives to design labour regulations. A draft of the "Regulation, Principles, and Procedures of developing and issuing national skills standards" contains the following paragraph:

"Study, make reference to occupation analyzing charts of other countries (if applicable), ask for opinion of at least 30 experienced experts who don't take part in Occupation Analyzing Sub Committee or belong to skills standards developing contracted agencies about the chapter being designed (...) and complete the chapter after receiving expert opinions." (Minister of Labour Viet Nam, p. 5)

Involving partners in the anticipation of skills is in that case even set in a law showing the importance the public sector is giving to it.

Partnerships are also a good way to abandon the outdated view of a number of OECD countries that labour market and employment has to be overseen by the public service only. In Latin America and the Carribean partnerships are a must, as the public employment service alone would be too weak and in a lot of cases not attractive enough for employers to work with. They are often seen as short-term providers of short term placements and welfare payment (Mazza, p.11). In Latin America and the Carribean, passive measures are relatively rare. Barbados is the only Caribbean country with unemployment insurance; and the few Latin American countries with unemployment insurance are in the Southern Cone (e.g. Argentina, Brazil, Uruguay), with the most comprehensive unemployment insurance program in Chile.

Active labor market policies are still just emerging in many Latin American and Carribean countries. A lot of public employment services there have to cooperate with partners to make a difference. In Mexico this has led to the public employment service increasing its share of outreach. In a country where over 40% of job search is done through family members and some regions leave a market penetration of less then 1% for public job offers, any activity that connects public employment services to the job- seeker is welcome. Local stakeholder initiatives in 2010 increased employability in different regions of Mexico and this success was largely identified with the work of the public service, as it was coordinating the initiative. Grassroot work to improve the skills portfolio, it seems, has had positive impact on the images of the different partner providers and is thus an additional motivation to approach skills anticipation and skills development jointly. Working in partnerships is a crucial approach in today's complex labour and employment reality. Analyzing and anticipating skills should thus not stay the responsibility of a sole actor, but be shared all the same.

4 Conclusion

We are entering the future of work. The demands for different skills are changing and with them the education and labour markets dealing with the skills. It seems that there will be less public resources for it and an even faster pace of change. The way skills needs are anticipated should be adjusted accordingly.

First, skills monitoring needs to envelop the education part, be it secondary and third education before entering the labour market or methods for upskilling throughout the job career. In practice, there needs to be a permeability in the curricula of training institutes to accommodate skills anticipation and also to be responsive to short and medium-term labour market shifts.

Second, as trade and investment nowadays is naturally regarded as global, so should labour and skills anticipation. Migration can be just another way of how skills move and develop, following the most advantageous labour market trends.

Third, anticipating skills should be a partnership task, in which all stakeholders, including the job-seeker take their share of responsibility.

Finally, as in all aspects that influence the world of work, skills anticipation should embrace a holistic view. As Olga Strietska-Illina, expert of the International Labour Organization put it at the beginning of the global economic crisis in 2007 when she was speaking on European labour market monitoring:

It is however important to note that some recruitment problems cannot be solved by education and training and other skill supply measures alone and have to be accompanied by such measures as wage policy, employment protection, institutional efficiency (...) better economic and social conditions, including family friendly provisions (...) improved housing and others (Strietska-Illina, p. 9)

After the crisis seems to be finalizing, this is more valid than ever.