



Global skills gaps measurement and monitoring: Towards a collaborative framework

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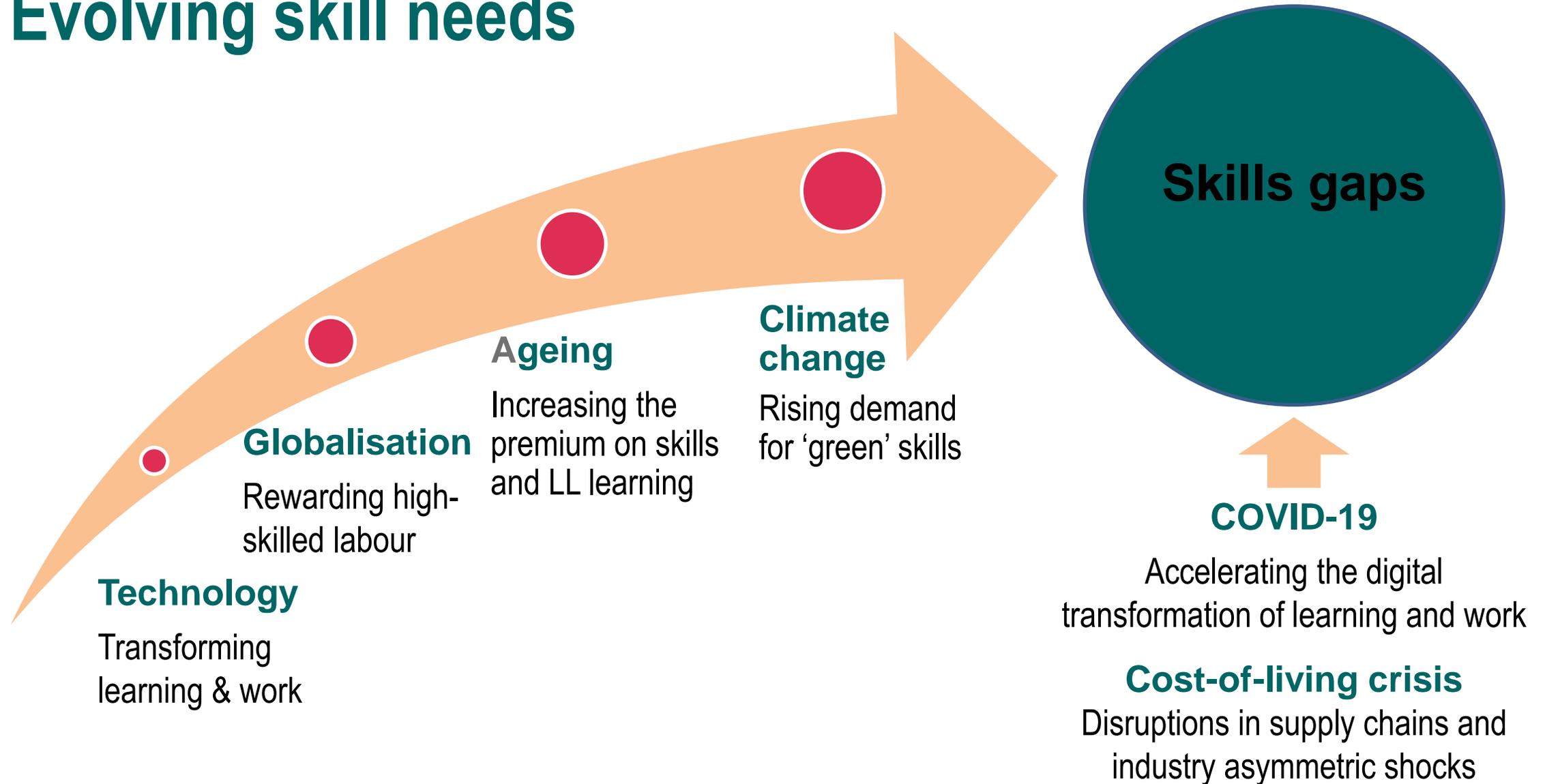
Stefano Scarpetta

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1st G20 Employment Working Group Meeting
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Evolving skill needs



Skills gaps are pervasive and damaging

Overqualified
Underqualified

Proportion of overqualified and underqualified workers, by sex (15 & over)



Source: ILOSTAT



Other recent G20 discussions on the subject

- **Challenge: Monitoring, assessing and anticipating changes in skills gaps or imbalances**
 - Skills themselves are hard to measure (vs occupation, educational attainment)
 - Imbalances are the result of both demand and supply: issues to measure both
- **ILO-OECD 2018 report: Approaches to anticipating skills for the future of work**
- **Updated G20 Skills Strategy 2022: Improve data collection and quality**
- **G20 topics for discussion:**



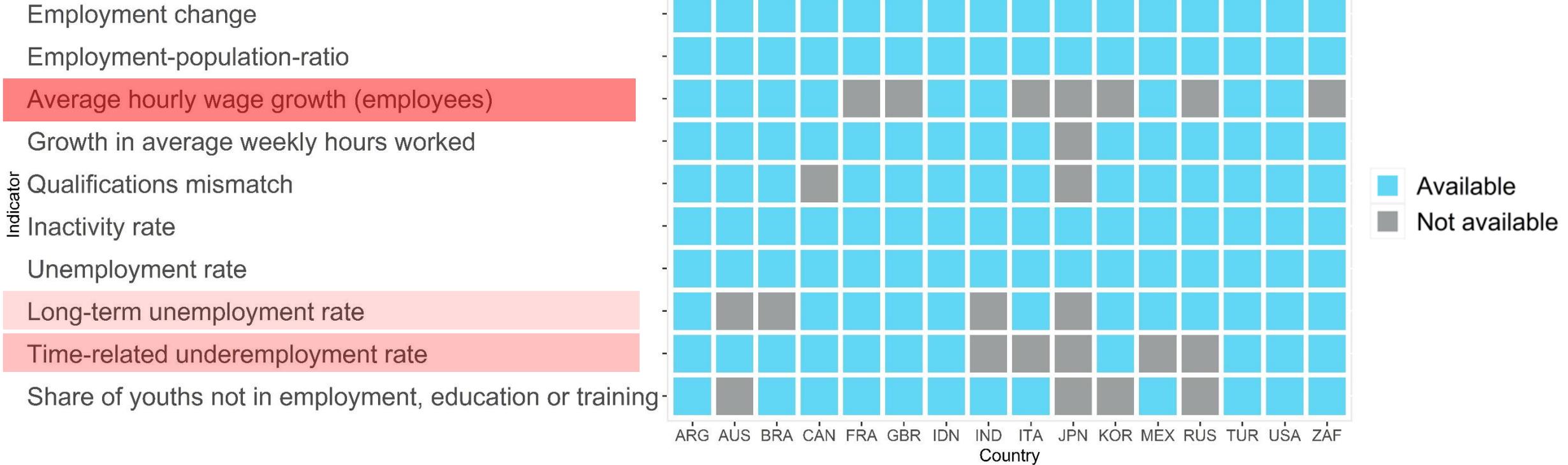
Basic Indicators

- **WHAT:**
 - A direct measure of qualification mismatches
 - Elements to get to build mismatches and shortages (e.g., wages)
 - Labour market context (e.g., unemployment)
- **HOW:** Based on LFS data and collected by ILO
- **WHY:**
 - Wide coverage across countries
 - Internationally comparable
 - Statistically representative



Uneven availability and quality of collected indicators

Availability of indicators across G20 countries based on data shared and processed by the ILO



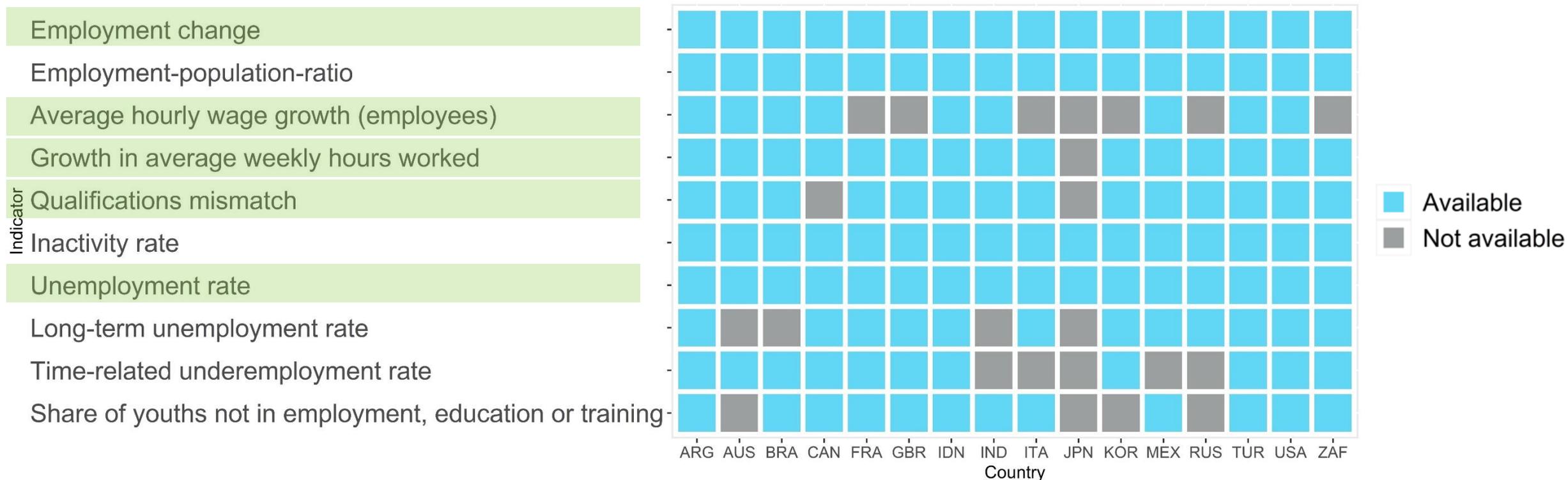
Note : Data for CHN, DEU and SAU are not available. Data refers to 2021 except for AUS, IND (2020) and GBR, JPN (2019).

Source : ILO database , ILOSTAT. Available from <https://ilostat.ilo.org/data/>.



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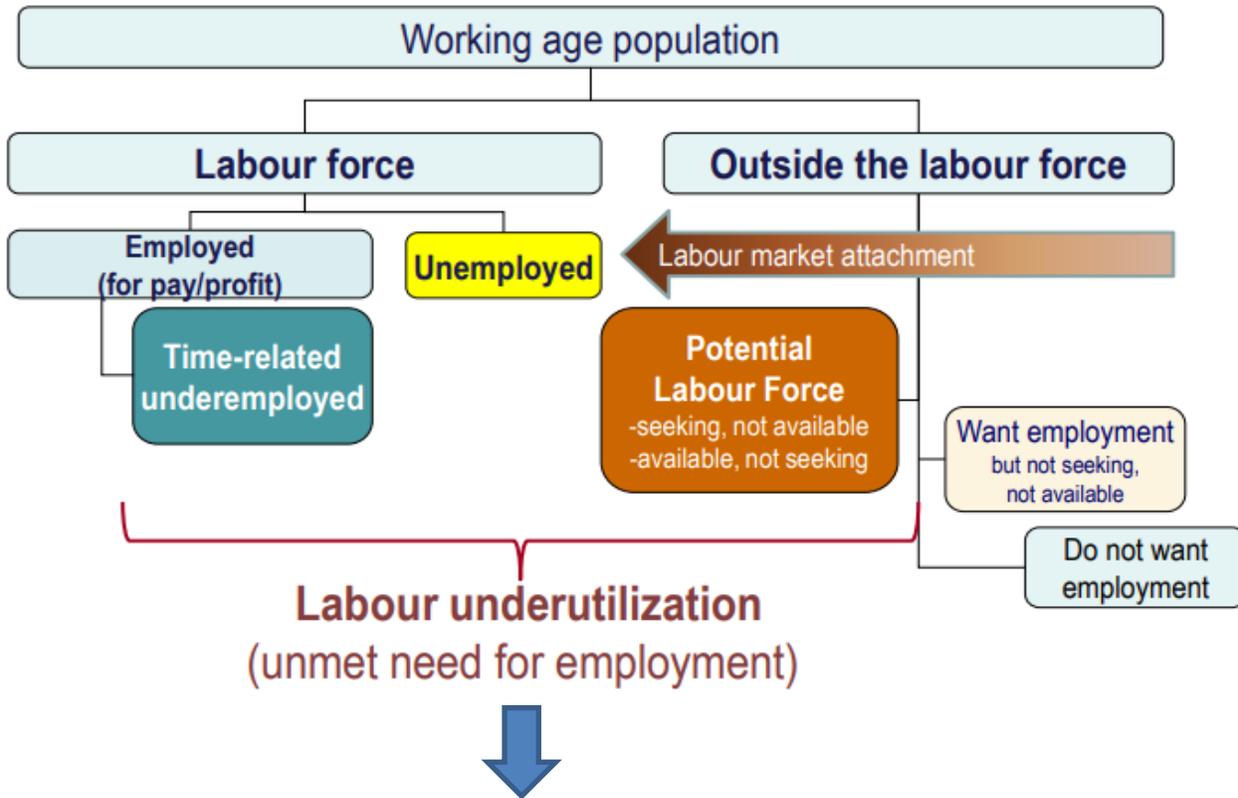


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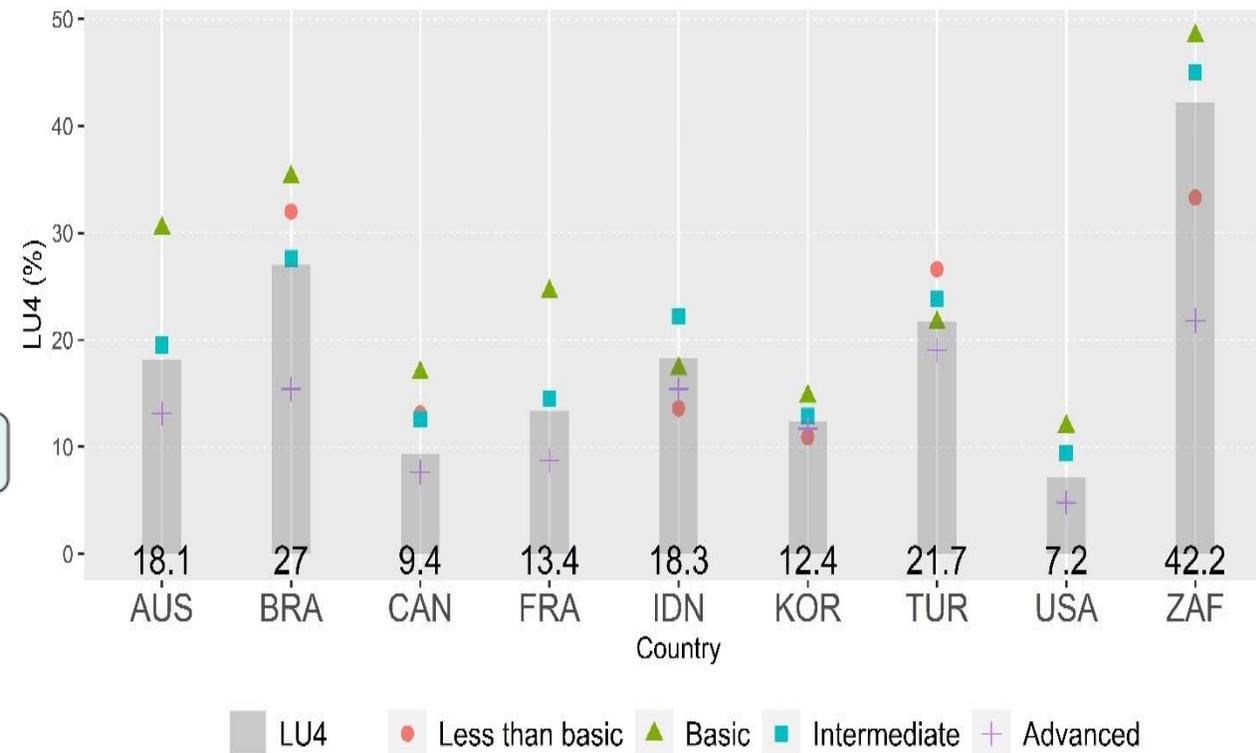


A composite rate of labour underutilization



Adding the concept of overqualification among the underemployed for composite rate of **skills** underutilization

Rate of labour underutilization (LU4) by broad level of educational attainment, by country (15 & over)



Note: Data not available for ARG, GBR, ITA, JPN, RUS, IND and MEX. Data refers to 2021 for all countries with the exception of AUS (2020).

Source: ILO database, ILOSTAT. Available from <https://ilostat.ilo.org/data/>.



A composite indicator of skills imbalances

Occupations

- 1 Science and Engineering Professionals
- 2 Health Professionals
- ...
- 32 Building and Related Trades Workers (excluding Electricians)
- 33 Agricultural, Forestry and Fishery Labourers

Shortages/Hard to fill

Surplus/Easy to fill

150 Skill dimensions

Knowledge



Physics



Computers and electronics



Psychology



Building and construction

Skills and abilities



Critical Thinking



Complex problem Solving



Static strength



Oral and Written expression

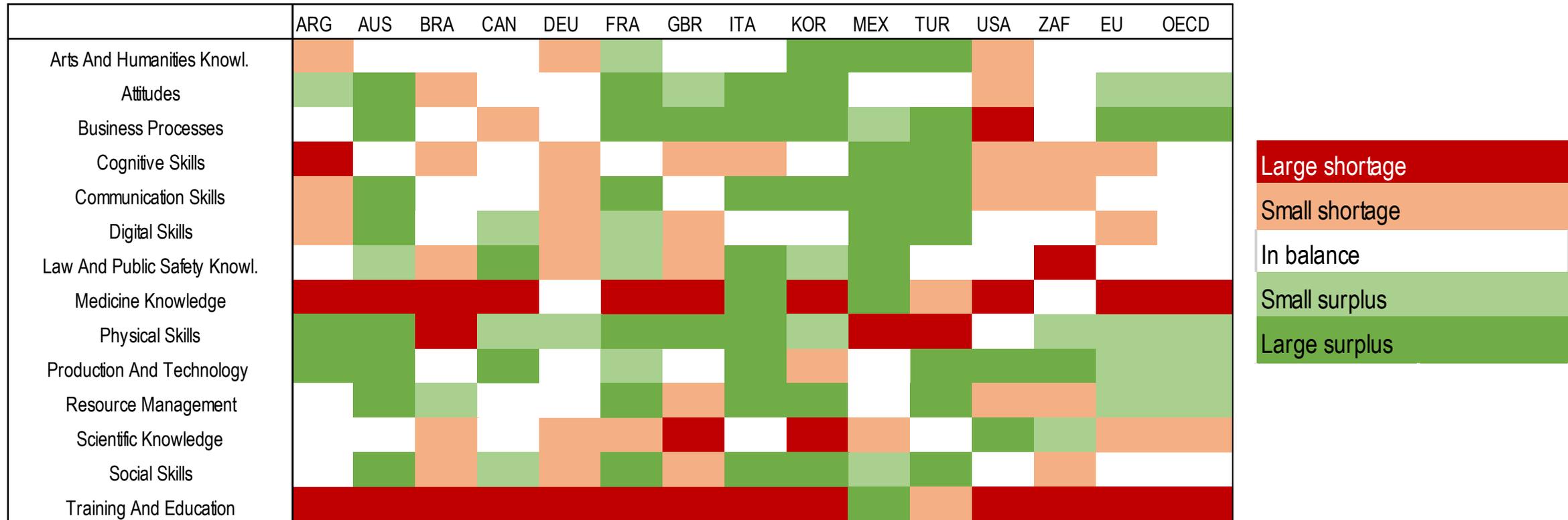
www.OECDSkillsforJobsdatabase.org

www.ilo.org/ilostat-files/Documents/skillsforjobs.html



A global snapshot of skills shortages and surpluses

Shortages and surpluses by broad skill category, available G20 countries



Note: data refer to 2019 or last available year
 OECD Skills for Jobs database



Extended Indicators

- **WHAT:**
 - Self-perceived match between jobs requirements and workers' skills
 - Employer's assessment of hard-to-find skills and hard-to-fill vacancies
 - Quality and relevance of current education and training programmes
 - Online job vacancies and job applicants
- **HOW:** Household and employer surveys, private-sector information (big data)
- **WHY:**
 - Direct measures of misalignment between requirements and workers' skills / qualifications
 - Fine-grained information, timely information (big-data).
- **BUT:** Uneven coverage, costly and not always representative (big data)



Urgent need for a global skills taxonomy: Common language on skills

Strengths / Weaknesses of taxonomy

5.

- Ability to answer policy questions
- Representativeness of data / Privacy and legal considerations
- Ease of regular updates

4. **Structure** of taxonomy (Scope / Granularity)

3. **Approaches** to be taken (Quantitative / Qualitative / Mix)

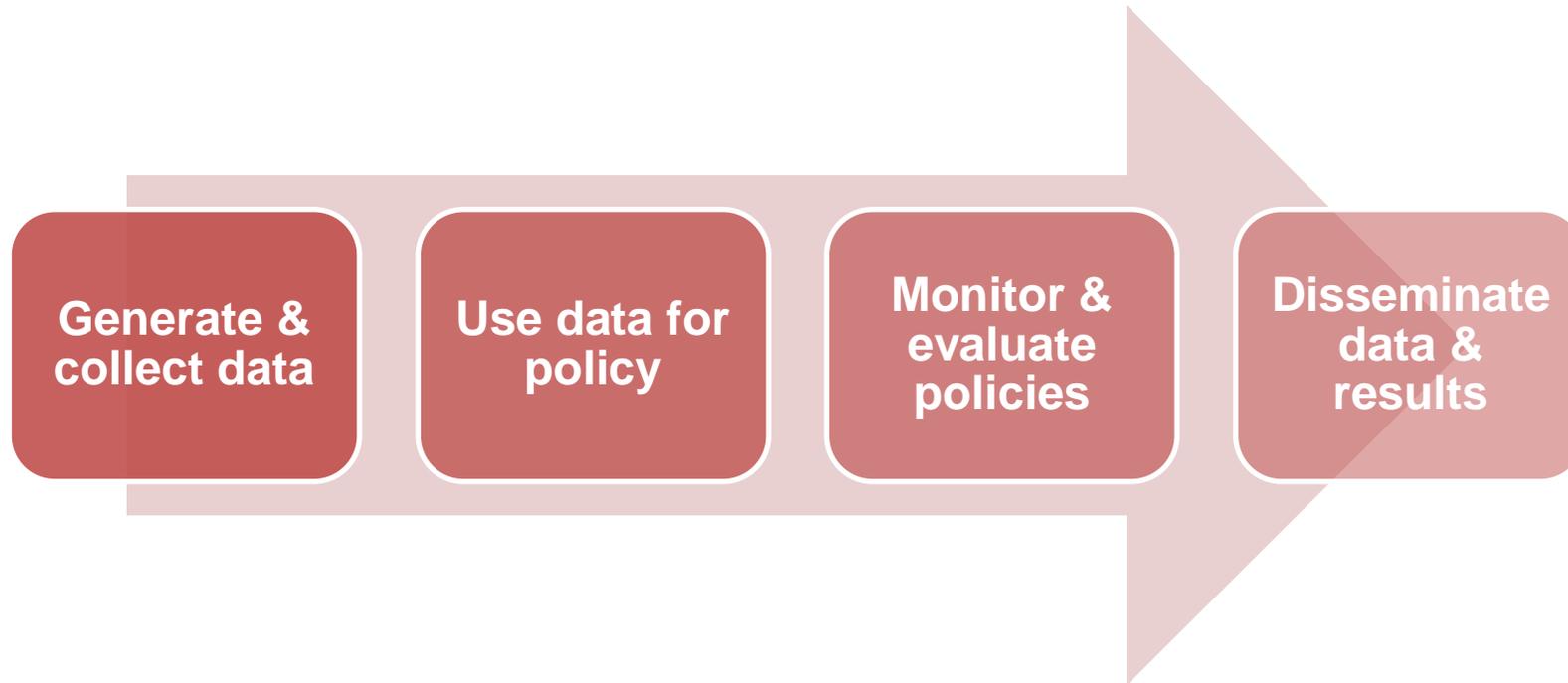
2. **Resource** availability (Technical capacity / Finance)

1. **Data** availability (Surveys / Big data / Experts' inputs)

Key considerations



Institutional capabilities for the data pipeline



Key capabilities:

- Institutional platforms for coordination among of stakeholders on labour market intelligence
- Effective communication



Proposed follow-up to the updated G20 Skills Strategy

- **Updated G20 Skills Strategy** remains a **key reference** for developing policy responses to global skills gaps.
- Proposed to **promote progress on implementing the strategy** through peer learning and developing indicators.
- The OECD together with UNESCO and ILO will develop **indicators** based on those put forward last year.
- The **Indian School of Business (ISB)** will collect and document **good practices** from G20 countries to support peer learning.
- The **EdWG** is also considering this follow-up work which would be a joint outcome for both groups.



Thank you!

► Contacts

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