

Skills Mismatches in Latin America and The Caribbean

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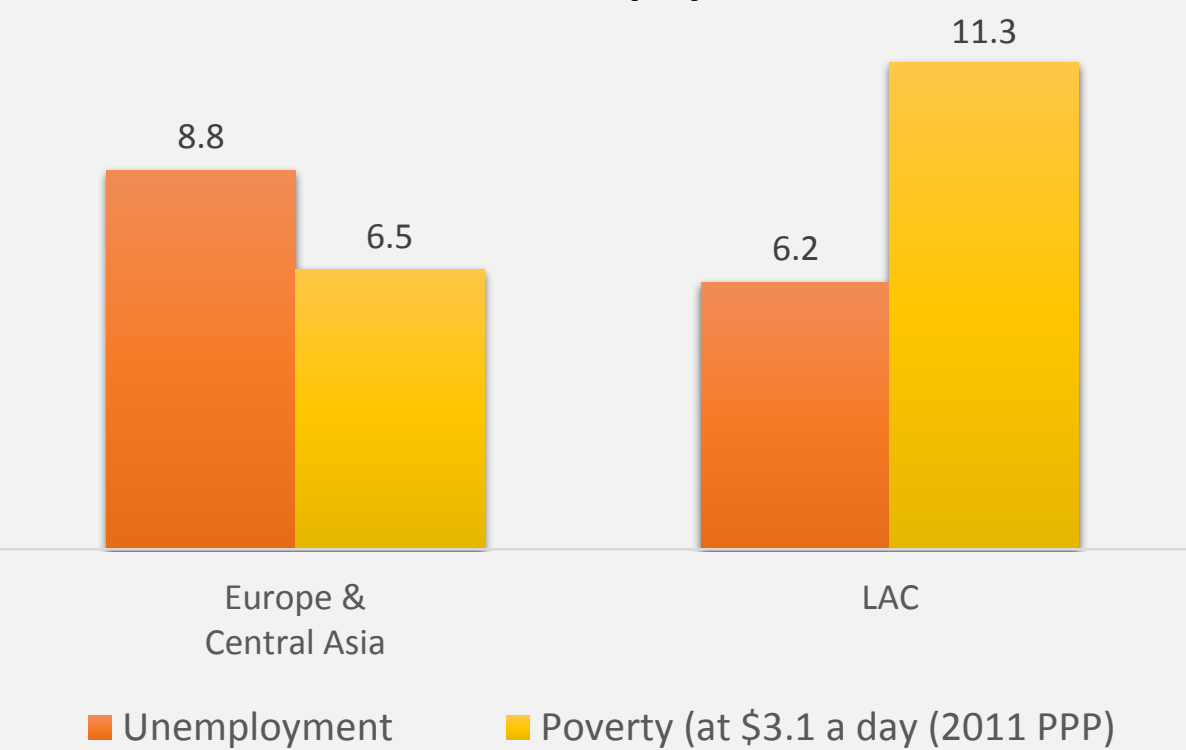
Geneva, Switzerland

1. Overview of the LAC region: labor markets, education and training

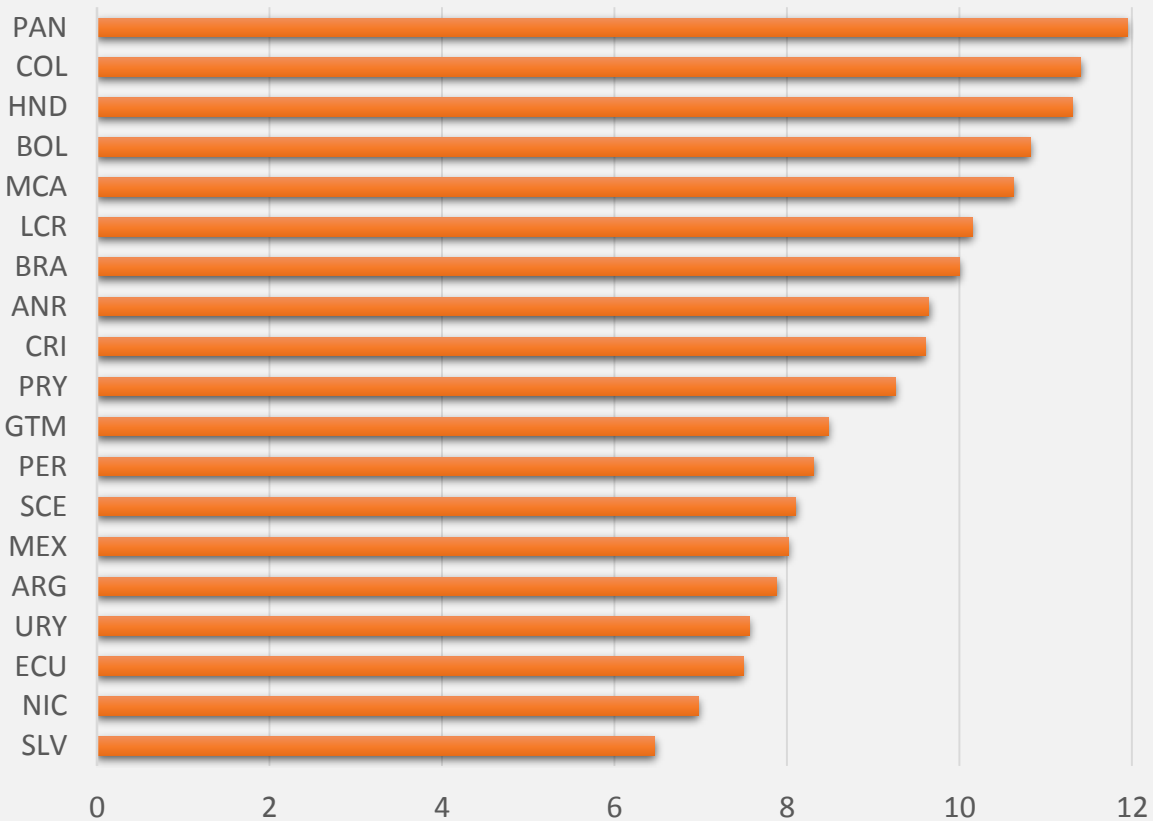


LOW UNEMPLOYMENT BUT HIGH POVERTY & INEQUALITY

UNEMPLOYMENT RATE AND POVERTY HEADCOUNT RATIO (%)

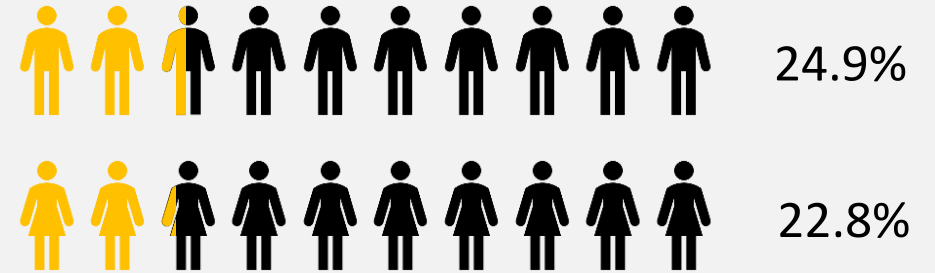


RATE 90/10

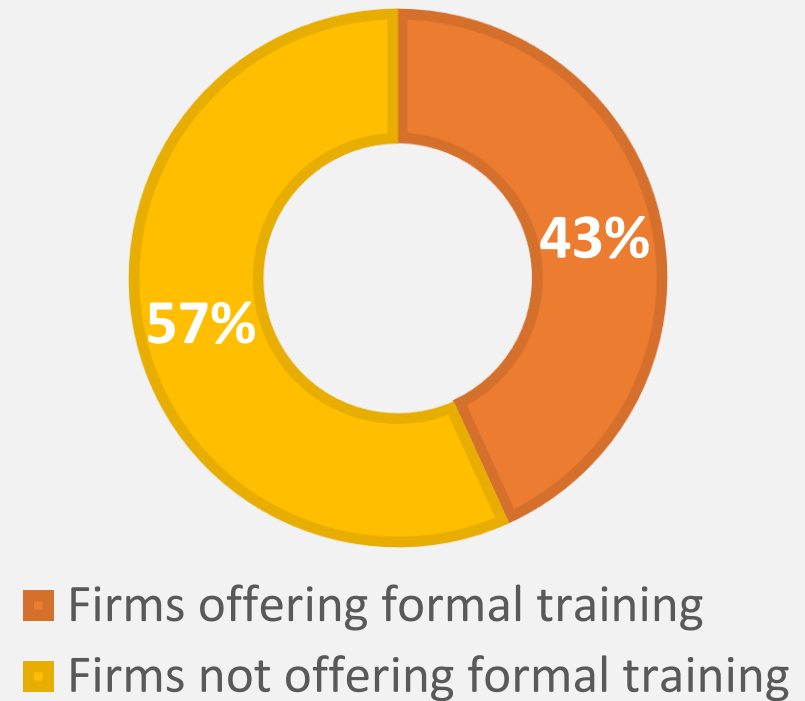
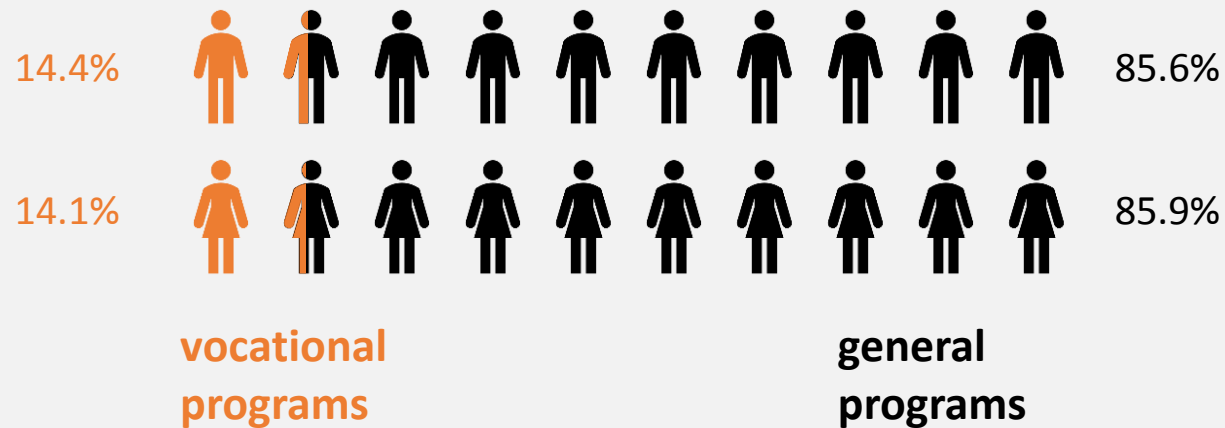


HIGH SCHOOL DROPOUTS, POOR VET, LOW TRAINING

7.6 million youth of upper secondary school age **out of school**

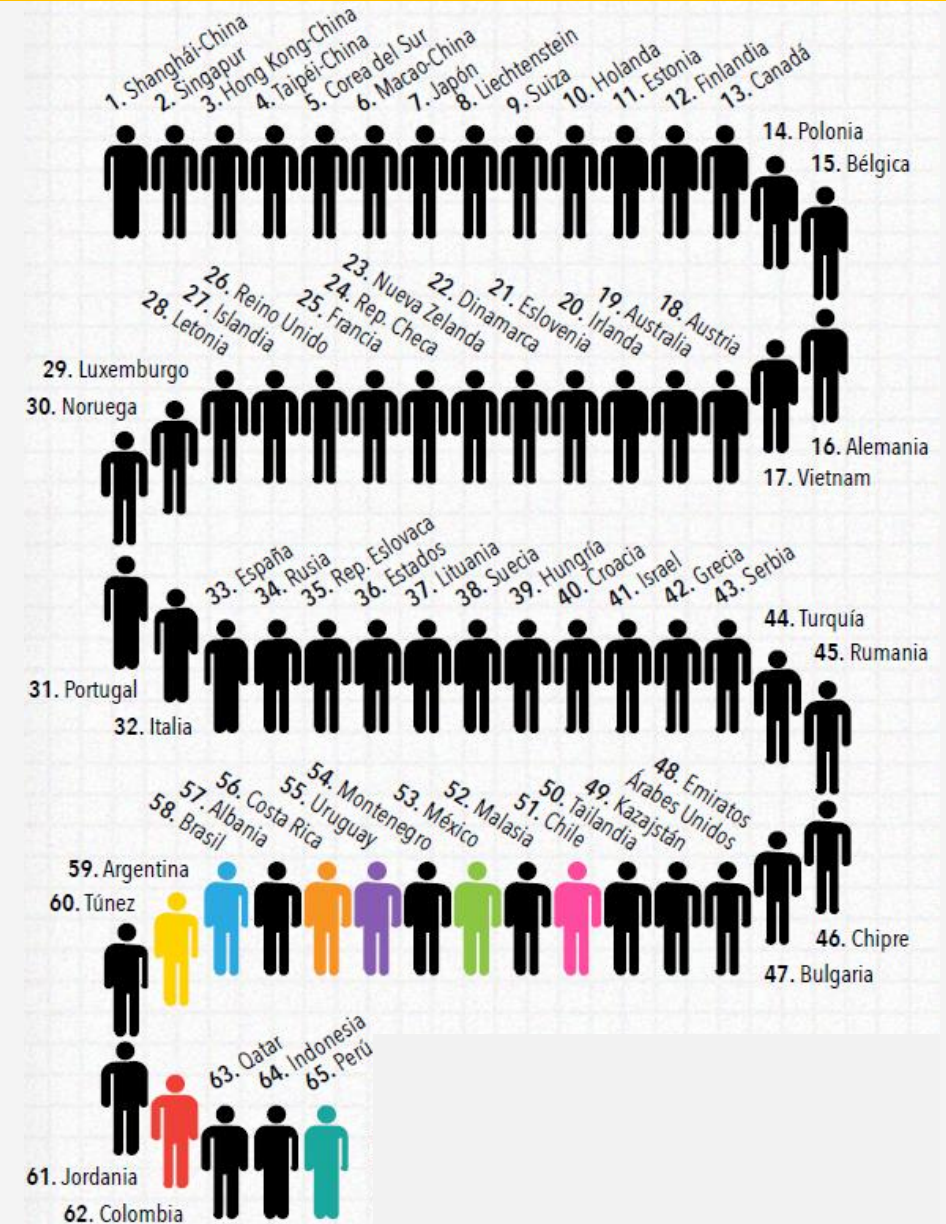
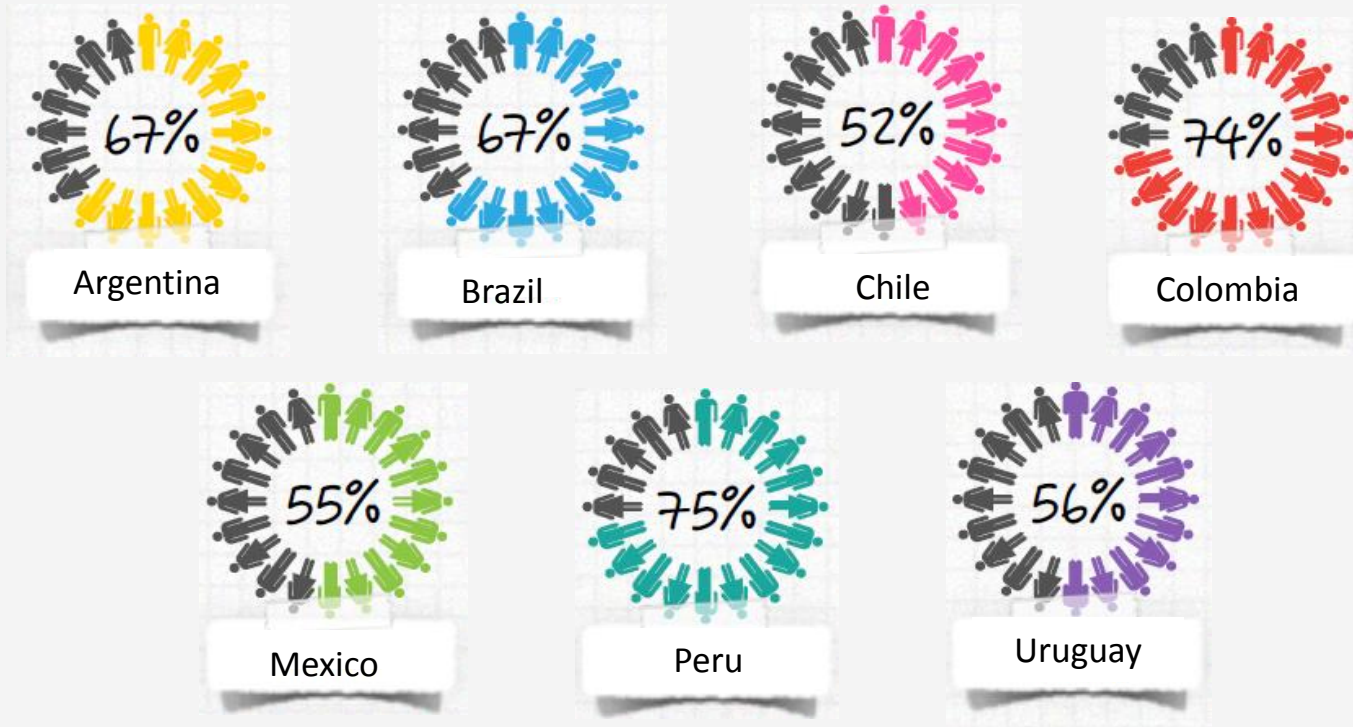


STUDENTS IN UPPER SECONDARY EDUCATION



LOW PERFORMANCE IN PISA AND LARGE HETEROGENEITY

PERCENTAGE OF STUDENTS THAT DO NOT ACHIEVE LEVEL 2 IN MATHEMATICS



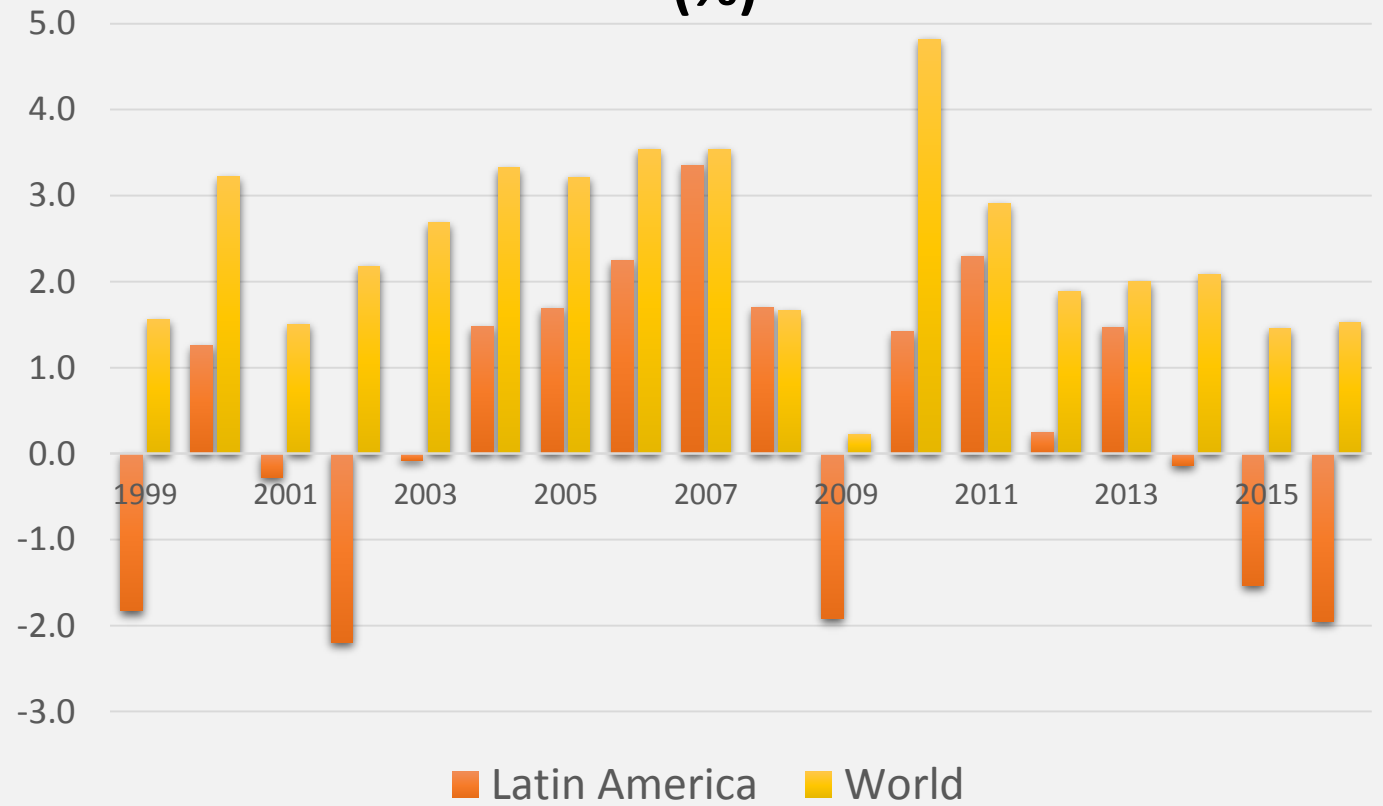
HIGH INFORMALITY AND LOW PRODUCTIVITY GROWTH

35.7 million

salaried workers not
contributing to **social
security**

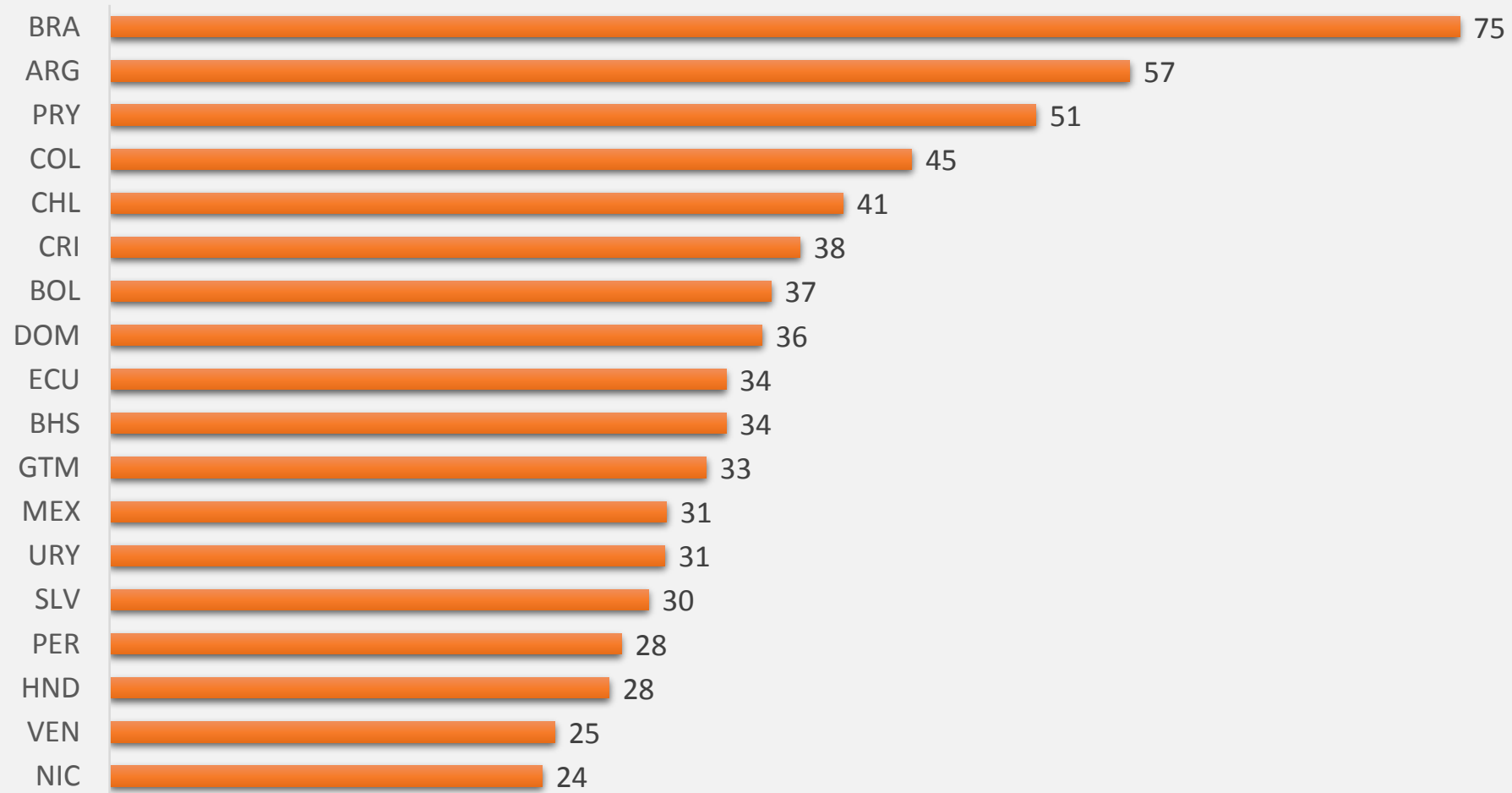


GROWTH OF LABOR PRODUCTIVITY PER PERSON EMPLOYED
(%)



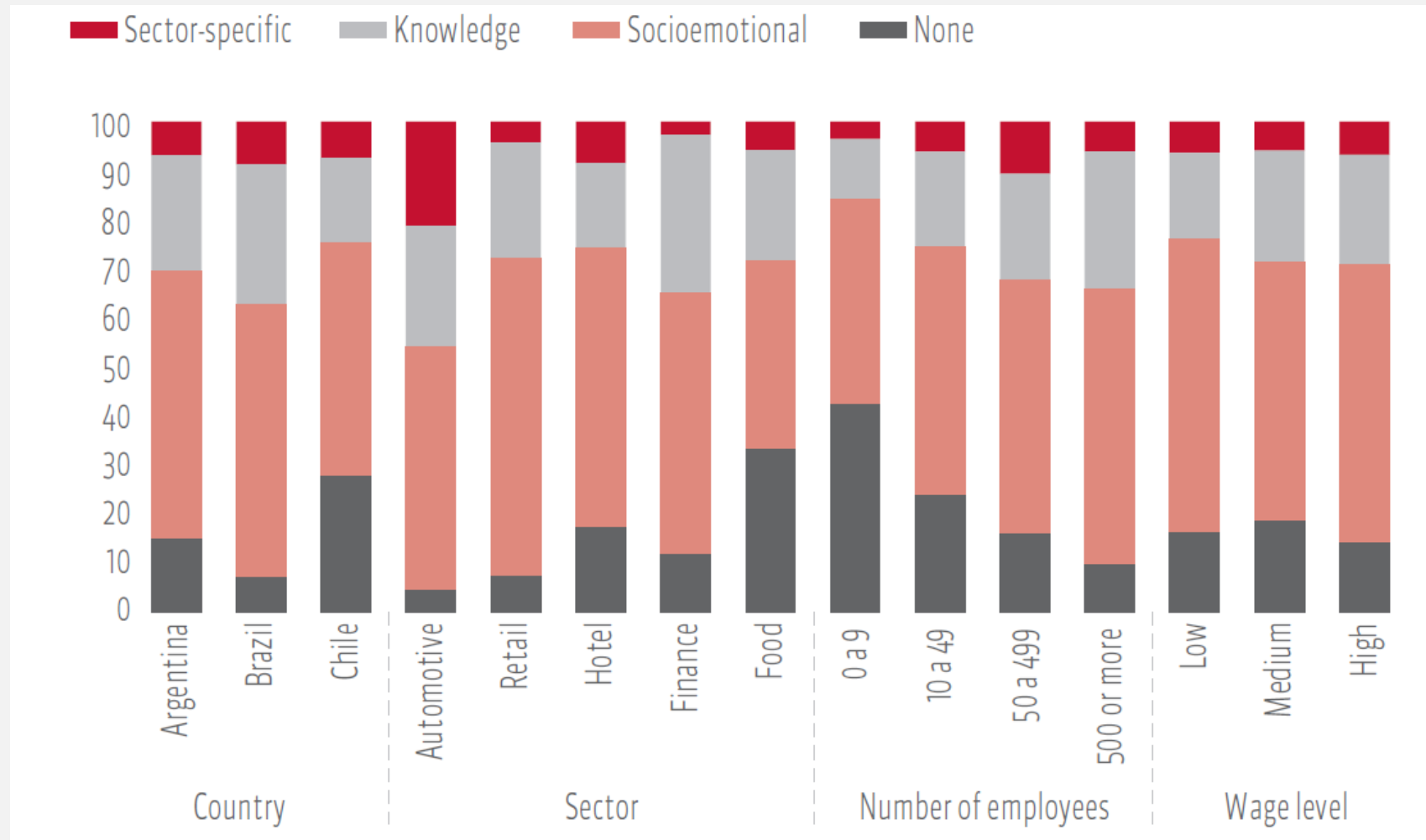
WORKFORCE WITHOUT SKILLS NEEDED BY FIRMS

PERCENT OF FIRMS IDENTIFYING AN INADEQUATELY EDUCATED WORKFORCE AS A MAJOR CONSTRAINT



LEARNING DISCONNECTED FROM LABOR MARKET NEEDS

EMPLOYERS' REPORTS OF DIFFICULTY IN OBTAINING DIFFERENT TYPES OF SKILL (%)



CHALLENGES FOR EDUCATION AND TRAINING SYSTEMS

- ✓ Little relevance, low quality & inadequate coverage
- ✓ Absence of a education and training systems oriented to economic development
- ✓ Poor coordination between government areas and with the private sector

Governments in the region are aware of the importance of the Skills Agency and are taking actions to address these challenges

2. IDB approach to support LAC in the skills agenda



SKILLS FOR PRODUCTIVITY & EQUALITY: A FRAMEWORK

- ✓ One of the three pillars of the LMK Division
- ✓ Goal: transition to integrated models that allow relevant and quality learning/labor trajectories
- ✓ Systemic approach tailored to country characteristics (operational and technical support)

SKILLS SYSTEMS: CRITICAL AREAS

- ✓ Drawing upon evidence and intelligence to shape decision making
- ✓ Providing an organisational basis for employers to engage collectively with the skills system
- ✓ Facilitating employer influence on policy and provision
- ✓ Identifying employer skills requirements to inform curriculum and qualification development
- ✓ Measures taken to encourage employer demand for and utilisation of skills
- ✓ Evaluation including gathering feedback on employer satisfaction

1.
**Identification
of productive
sectors' skills
needs**

2.
**Curriculum
development
based on
qualifications &
skills
certification**

- ✓ Development of qualifications content
- ✓ Assessment of candidates
- ✓ Overall curriculum design
- ✓ Qualifications Frameworks
- ✓ Provision of work based learning
- ✓ Promoting the usage of competence based learning by employers

- ✓ Deployment of public resources to fund system
- ✓ Budget planning at state/regional level
- ✓ Design and implementation of financial incentives
- ✓ Measures attracting employer contributions
- ✓ Measures attracting individual contributions
- ✓ Ensuring financial stability

**Budget
Planning and
Funds'
Allocation**
3.

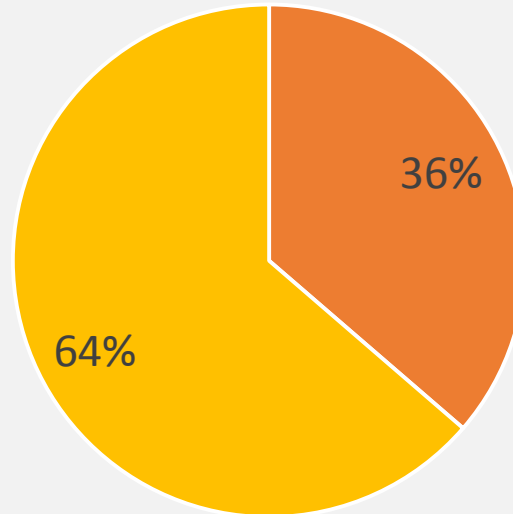
**Quality
assurance**
4.

- ✓ Assuring the quality of the overall system
- ✓ Assuring the quality of teaching institutions
- ✓ Assuring the quality of workplace training
- ✓ Assuring the quality of assessment and certification
- ✓ Assuring the quality of teaching and training
- ✓ Improving the quality of all aspects of the system

OUR INVESTMENT PORTFOLIO IN EXECUTION

725.5 million dollars in Loans and 9.1 million dollars in Technical Cooperation

467.7 million dollars in technical education



266.9 million dollars in workforce development



EXAMPLES OF ACTIONS SUPPORTED BY CURRENT OPERATIONS

- ✓ Sectors skills councils  
- ✓ Pre-apprenticeship and apprenticeship 
- ✓ Survey of skills demand by firms  
- ✓ Regional labor observatories and Labor Information Systems
- ✓ Sectoral qualification frameworks 
- ✓ Profiling instruments 
- ✓ Matching grant facilities  

EXAMPLES OF ONGOING KNOWLEDGE PRODUCTS & EVIDENCE

✓ Exploiting administrative data



✓ Using Big Data to monitor vacancies



✓ Returns to tertiary education



✓ Impact evaluation of training programs



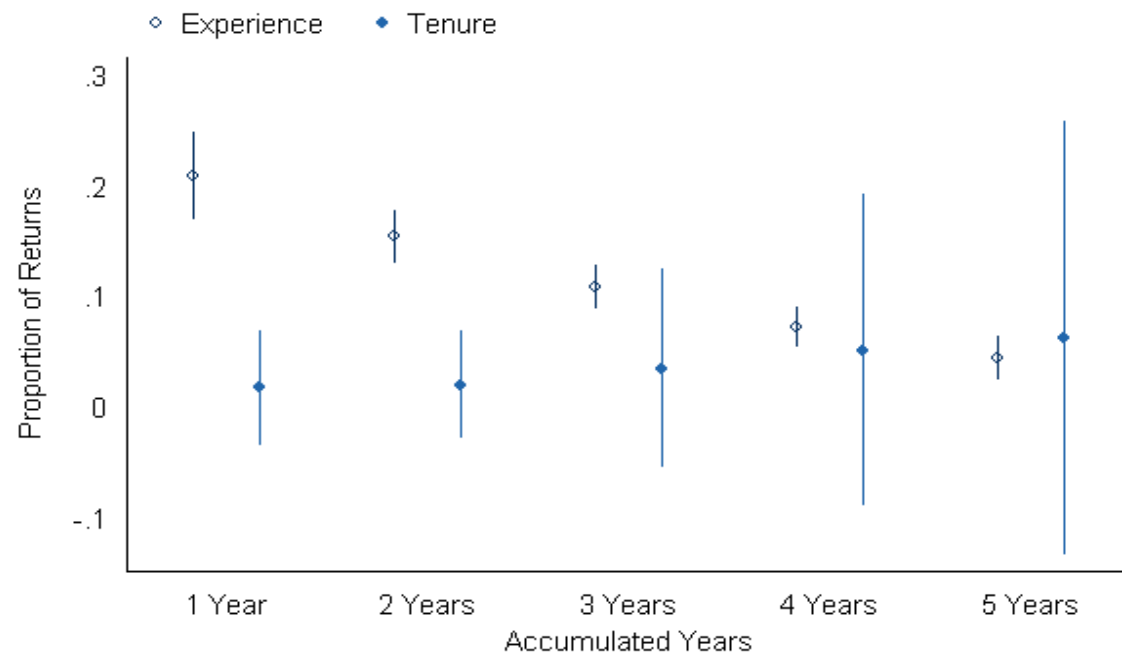
✓ Firms experiment on skills development



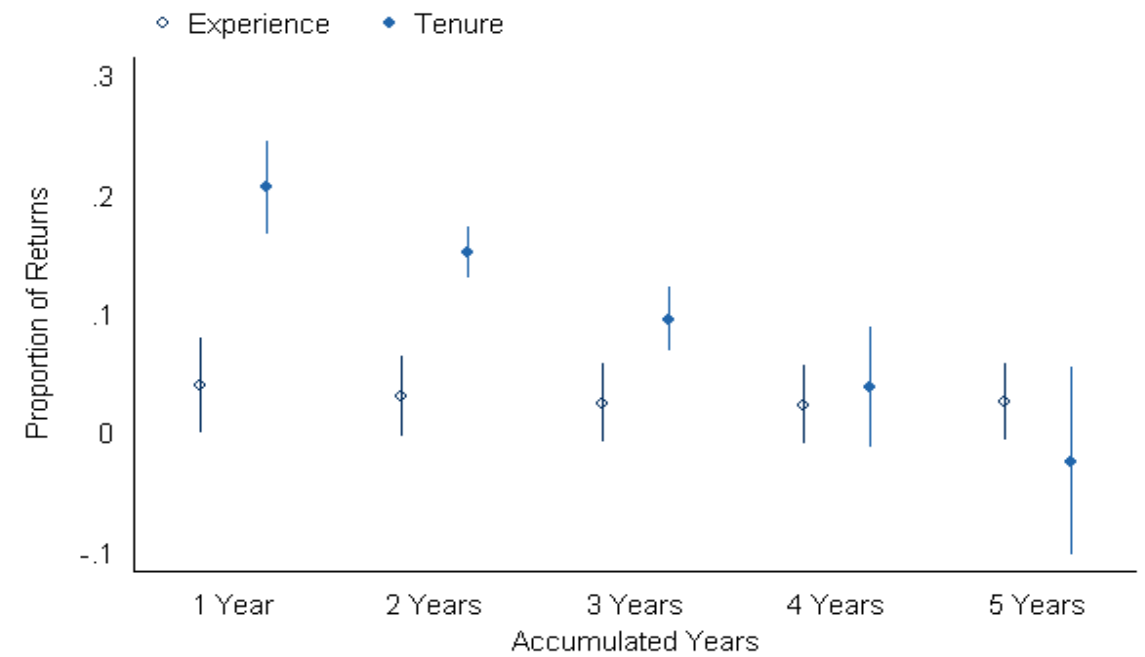
USING ADMINISTRATIVE DATA IN LAC: PRELIMINARY RESULTS

RETURNS TO EXPERIENCE/TENURE

CHILE

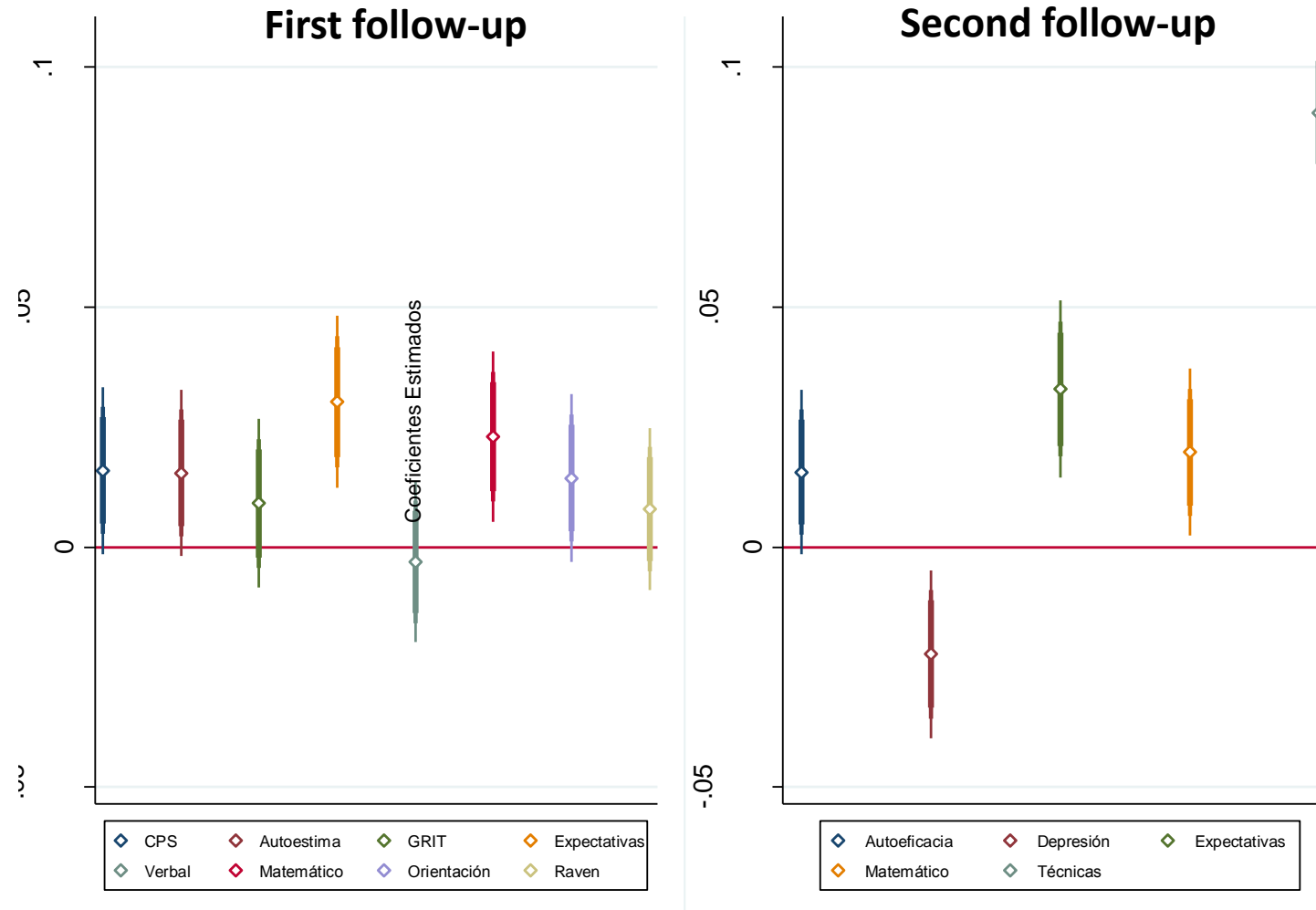


BRAZIL

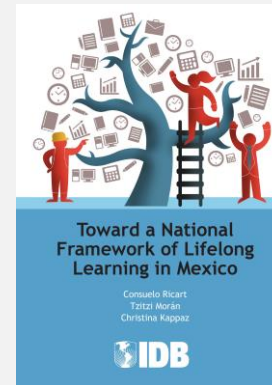
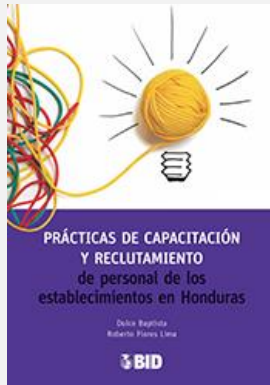
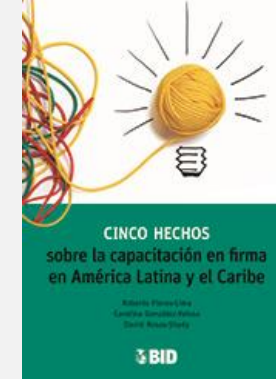
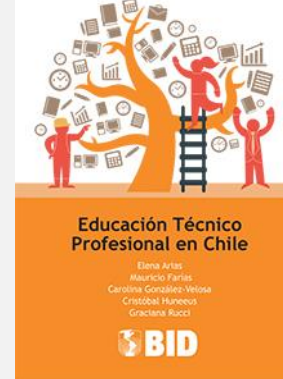
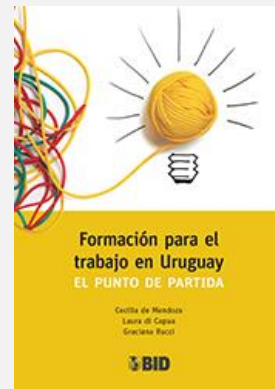
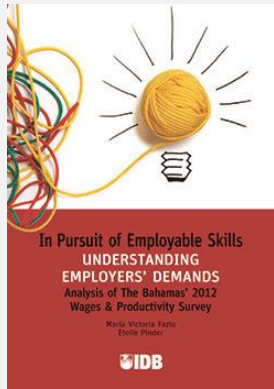
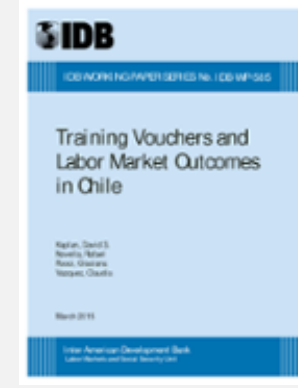


IMPACT EVALUATION OF FOTRAB-CHILE: PRELIMINARY RESULTS

CORRELATIONS BETWEEN COGNITIVE / NON-COGNITIVE SKILLS AND EMPLOYMENT PROBABILITY



OTHER KNOWLEDGE PRODUCTS & EVIDENCE GENERATION





Thank you!

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