Are young people overskilled or underskilled?

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This week, as we prepare ILO's participation in the World Skills Competition 2017, taking place in Abu Dhabi, UAE from 15-18 October, we are left to reflect on a major theme which is troubling governments, employers, workers and young people across the globe – the so called skills mismatch.

This year's World Skills Competition features 1,300 competitors, 100,000 visitors and 51 skills. The competition will cover a diverse range of vocational categories including mechatronics, information network cabling, floor tiling, patisserie, and plumbing just to name a few.

The ILO, as a conference coalition partner, will be involved in two major activities of the Competition, the WorldSkills Conference and the WorldSkills Youth Forum which comes under the theme "Skills strategies for a globalized world".

Refocusing the debate on jobs and skills mismatch

The ILO's SKILLS branch will lead a conference session on the topic of skills mismatch that will consider not only what causes skills mismatch, but also to better understand the different types of skills mismatches, the labour market impact they have and their relative importance.



 Some 1,300 competitors will meet in Abu Dhabi for the World Skills Competition from 15-18 October. Copyright: WorldSkills International

High and persistent levels of youth unemployment, together with job vacancies that remain unfilled, are often attributed to mismatches between jobs and skills. The debate frequently focusses on why employers are unable to fill the vacancies they have. But this is only one form of skills mismatch. The problems faced by employers are technically known as skills gaps or skills shortages (which are a form of skills mismatch), but how important are they compared with other forms of skills mismatch like over-education?

The point here is not to underestimate the importance of skills shortages, as nearly 50 per cent of all European firms report difficulties in recruiting higher education graduates (Eurobaromater survey, 2010), but the evidence that these shortages are to do with skills rather than employment opportunities and conditions is actually weak, and whether they have any effect on the performance or income of these firms is also not clearly understood.

Future education aims to be transformative, building the knowledge, skills, values and attitudes that a citizen needs to be able to contribute to a more inclusive, just and peaceful world." — Nesrine Saouli, WorldSkills Youth Forum Delegate from Algeria

One area that has received relatively little attention is the issue of over-education, which occurs when an individual possesses a level of education in excess of that which is required for their job. After an extensive review of existing research, Prof. Séamus McGuiness of ESRI established that a sizeable fraction of workers are in occupations that do not require as much schooling as they have acquired. Think, for

example, about that taxi driver you encountered that holds a PhD, an example that points to a mismatch between jobs and skills.

The relative importance of too much vs a shortage of education or skills has important policy implications. In reviewing national skills policies that aim to address skills mismatch, the same review of research found that the majority of policy responses typically seek to address either skill shortages or skill gaps rather than the issue for which the best data exists, over-education. This challenge is further exacerbated by demand side gaps and the limited creation of appropriate employment opportunities.

"It is vital for a person to develop an entrepreneurial mindset so that one can push boundaries and take risks without holding back. It gives one and those around him/her, an opportunity to grow mentally." — Buhle Success Makama, WorldSkills Youth Forum Delegate from South Africa

If there is a lack of comprehensive policies on employment and skills then there is a greater chance that productivity and economic growth will suffer. A balance needs to be struck between polices that simulate job creation through pro-employment economic policies, reducing skill shortages and skill gaps and removing constraints associated with surpluses in education and skills. A more integrated approach is needed.

What do young people think about jobs and skills mismatches?

The ILO's Youth Employment Programme Unit has the unique opportunity to serve as a mentor for the World Skills Youth Forum, a parallel event to the World Skills Competition which brings together 300 young people to participate in a series of thematic think tanks. Some of the topics being discussed include "The Role of Skills in Building Tomorrow's Cities and Villages", "How can Youth be both Job Ready and Adaptable?" and "How can Skills be the Driving Force of Innovation?"

The Youth Forum provided a chance for us to hear from young people directly, through moderation of online forums and direct interviews with young people, on how they view the issue of skills mismatch.

"I believe that technology is giving us a spur to create new jobs that never existed before. It's true that technology is taking over some jobs but why can't we say that technology is 'transforming jobs' rather than replacing them". — Alia Alkaabi, WorldSkills Youth Forum Delegate from U.A.E.

The importance of technology emerged as the major contributor to skills development and jobs for young people in the future. The Forum participants spoke about technology as the key to the modern economy, as well as the digitization of skills, jobs and future opportunities. They also cited collaboration, multi-tasking, problem solving and creative thinking as the key soft skills to reduce skills mismatch.

The youth delegates gave examples of policies and programmes that are contributing to reducing jobs and skills mismatches around the world. These included Taiwan, which is developing a TVET system geared towards the 10 skills needed in the workplace by 2020: cognitive flexibility, negotiation, service orientation, judgment and decision making, emotional intelligence, coordinating with others, people management, creativity, critical thinking, complex problem solving. They also mentioned the Telecommunication Regulatory Authority in Dubai which will launch robots that will transport documents and items to clients through drones. This may eventually reduce the number of staff at a company but will open up other employment opportunities for youth such as the management and maintenance of this new automated service.

What comes next?

ILO's participation in the 2017 World Skills Conference is linked to major programme of work at the ILO, the Jobs & Skills Mismatch Global Product under development by the Employment Policy Department. The global product has been created because the governments and employers' and workers' organizations that make up the ILO, have expressed interest in the topic of skills mismatch and we are keen to ensure that the issues and challenges associated with measuring and interpreting skills mismatch are more widely and clearly understood. Readers are invited to engage with us through our Skills for Employment Knowledge Sharing Platform and the What Works in Youth Employment Platform.

