



Skills for Trade and Economic Diversification STED

**A methodology to align skills development
with sector growth strategies**



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ILO's mandate on skills development, set through tripartite consultations of Governments, Workers and Employers:

Help constituents bridge the world of education and training to the world of work in order to...

- *improve the employability of workers,*
- *increase the productivity and competitiveness of enterprises, and*
- *expand the inclusiveness of economic growth*





Countries sustain a “virtuous circle,” linking education, skills, and decent work 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: Using skills as a driver of change to move from lower to higher productivity
5. expanding accessibility of quality training: smaller enterprises, rural areas, women, disadvantaged youth, persons with disabilities

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



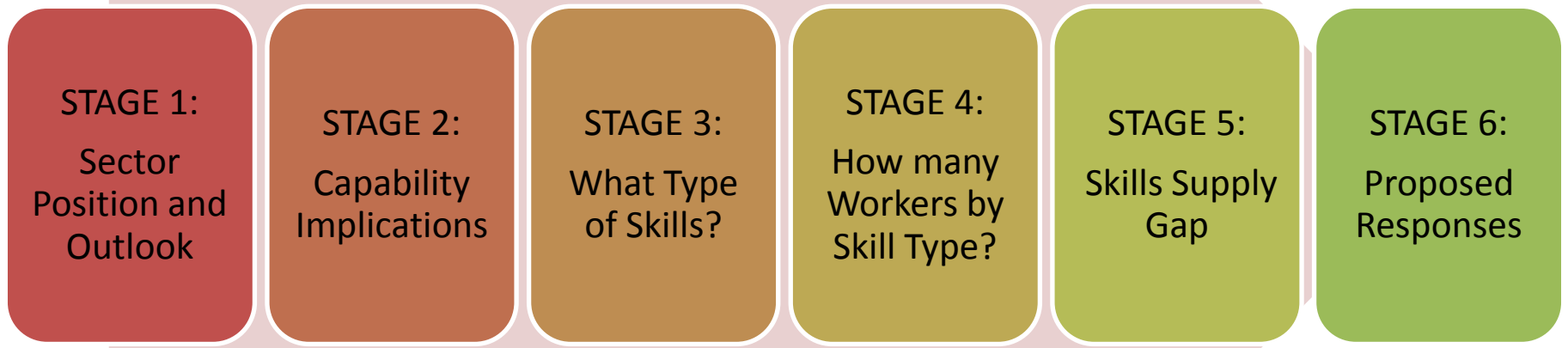
Skills for Trade and Economic Diversification (STED)

Methodology for ILO support to constituents based on **data analysis and social dialogue** to:

- 1) identify sectors with potential to
 - increase exports,
 - diversify the economy, and
 - create productive and decent work;
- 2) assess skill needs and training gaps along their value chains;
- 3) agree plans on how to meet training needs: policies, institutions, enterprises, clusters and value chains; and
- 4) build up institutions to sustain employer engagement with training institutions and improve accountability.



STED methodology identifies skill gaps in target sectors





STED Methodology: economic analysis & social dialogue

Data analysis, consultations

- Build capacity of national research institutions
- Identify export potential sectors; assess skills needs

Stakeholder workshop

- Ministries, Employers, Workers, Trainers validate sectors, assess value chain, discuss skill gaps

Draft report – ILO & national institutions

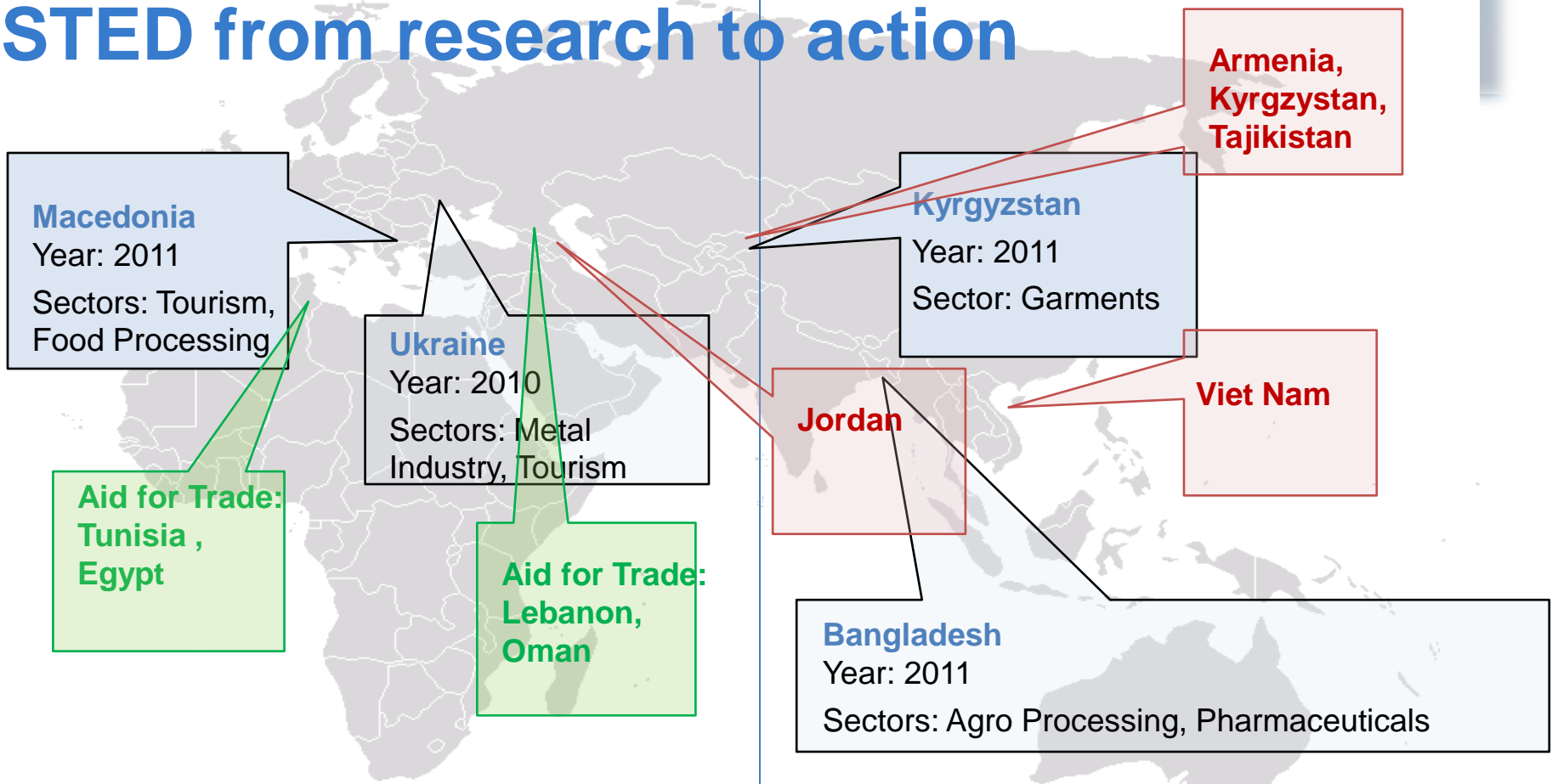
- Data analysis, local field research, lessons elsewhere
2nd stakeholder workshop finalizes findings, disseminates research; drafts recommendations

Final report

- Follow-up: industry skill councils, training programs, labour market information, broader trade debate



STED from research to action



Aid for Trade:
Tunisia ,
Egypt

Aid for Trade:
Lebanon,
Oman

STED agreed with constituents within the Aid for Trade Initiative for Arab States

STED features in Russia-funded project to extend the outreach of the G20 Training Strategy



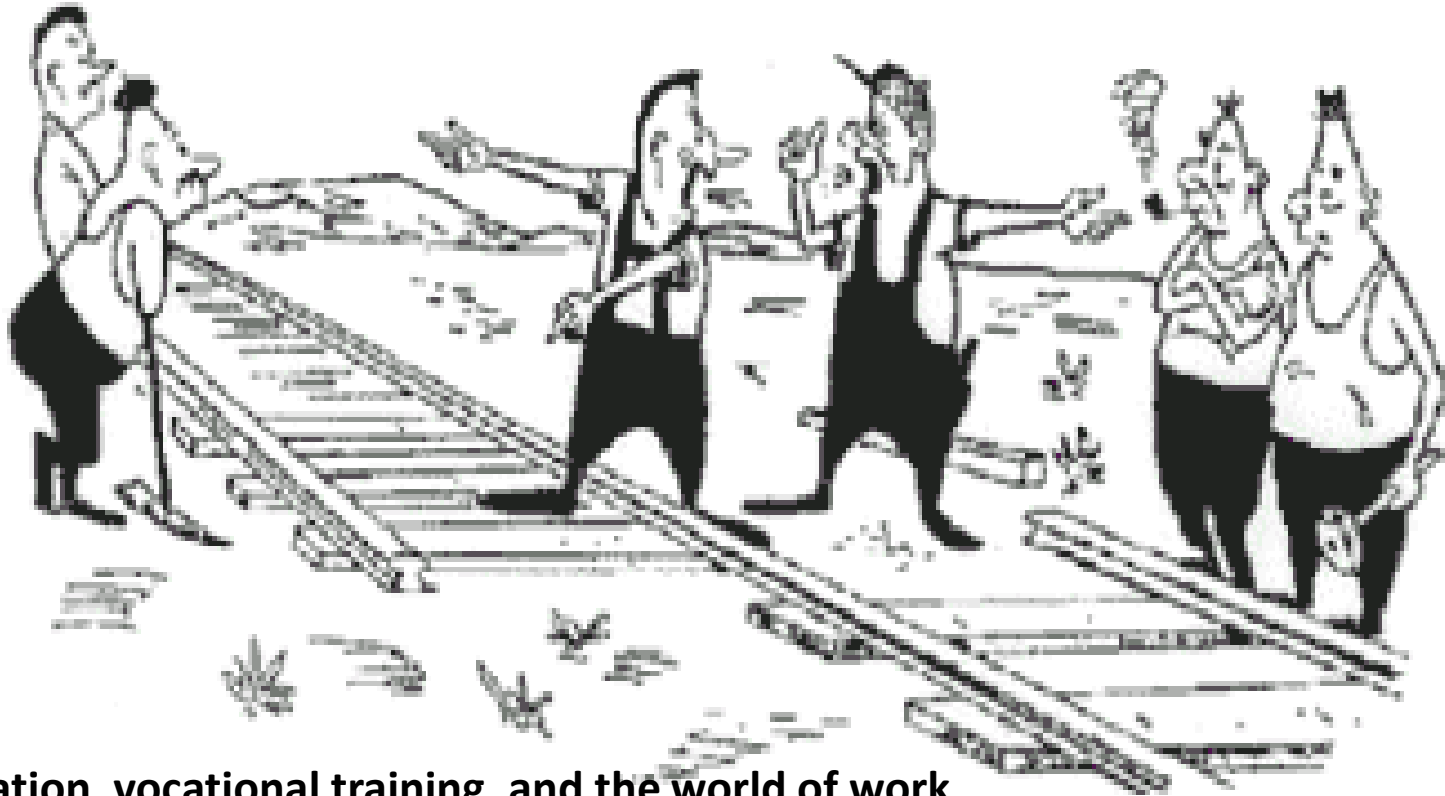


Kyrgyz STED Highlights – Sida funded study

- Skills just one of the key barriers to success of garment sector
- Outward migration an important factor
- Different views on expected impact of Customs Union
- Gaps:
 - business strategy on higher productivity and higher skills for international competitiveness
 - better quality at lower level skills – machinist etc.
 - key services: technical, marketing, design, logistics
- Reform of TVET for priority garment industry could lead to wider TVET reform
- TVET reform will not lead to more and better jobs without reform of enterprise strategy, production systems and management



Lessons learned: Coordination is critical to close the gaps



- ... basic education, vocational training, and the world of work
- ... training providers and employers at sector and local levels
- ... skills development and trade, industrial, technology and environmental policies

***Avoid skill gaps today
and drive economic and social development tomorrow.***



THANK YOU

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