Is Education Meeting Local Employment Needs in Small States

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Education and training is a key factor in improving the employability of individuals, increasing productivity and competitiveness of enterprises, reducing unemployment, poverty and exclusion, strengthening innovation and attracting investment (ILO, 2013a). Therefore, education and training is an essential but not sufficient condition for a student to have good employment outcome after completion of education. There must be sufficient decent jobs for absorbing new entrants to labour market. Here the emphasis is on decent or good quality jobs, which offer sufficient income, social protection, guarantees rights at work and social dialogue. Many educated youth are not keen to take up low quality jobs.

The youth employment crisis is a global challenge, though its social and economic characteristics vary considerably in size and nature, within and among countries and regions (ILO, 2012). As per International Labour Organisation (ILO) report on the “Global Employment Trends for Youth 2013” (ILO, 2013b), the global youth unemployment rate is rising, estimated at 12.6 per cent in 2013, is close to its crisis peak of 2008. 73 million young people are estimated to be unemployed in 2013. However, regional youth unemployment rates show large variations. In 2012, youth unemployment rates were highest in the Middle East and North Africa, at 28.3 per cent and 23.7 per cent, respectively, and lowest in East Asia (9.5 per cent) and South Asia (9.3 per cent). The ILO report further says, at the same time, informal employment among young people remains pervasive and transitions from school to work are slow and difficult. In developing regions where 90 per cent of the global youth population lives, stable, quality employment is especially lacking. In countries and regions with high poverty levels and high shares of vulnerable employment, the youth employment challenge is as much a problem of poor employment quality i.e. underemployment as one of unemployment. For instance, South Asia and Sub-Saharan Africa present relatively low regional youth unemployment rates, but this is linked to high levels of poverty, which means that working is a necessity for many young people (ILO, 2013b).

Improving youth employment requires an in-depth understanding of both supply side and demand side factors i.e. demographics, education and skills development issues on one hand and employment and labour market issues on the other hand. A
global movement framed by the ILO’s Call for Action advises a multi-pronged approach to break the vicious circle that keeps so many millions of youth out of education and stuck in non-productive employment and poverty. Five key policy areas that can be adapted to national and local circumstances were identified by the representatives of governments, employers and workers of the 185 ILO Member States at the International Labour Conference (ILC) in June 2012 are (ILO, 2008):

i) employment and economic policies to increase aggregate demand and improve access to finance;

ii) education and training to ease the school-to-work transition and to prevent labour market mismatches;

iii) labour market policies to target employment of disadvantaged youth;

iv) entrepreneurship and self-employment to assist potential young entrepreneurs; and

v) labour rights that are based on international labour standards to ensure that young people receive equal treatment.

As far as recommendations for education and training for having a good employment outcome are concerned, the cornerstones of an education for employment policy are:

- broad availability of good-quality education as a foundation for future training;
- Development of core skills such as learning ability, communication, problem-solving, teamwork as well as awareness of workers’ rights and an understanding of entrepreneurship;
- Development of vocational and higher level professional skills (professional, technical and human resource skills – to take advantage of high-quality jobs;
- Portability and recognition of skills across countries and economic sectors;
- Provision of work experience through apprenticeships, internships and work attachments;
- Provision of continuous and seamless pathways of Lifelong learning to enable workers and enterprises to adjust to changes in technology and markets;
- a close matching of skills supply to the demands of labour markets;
- anticipation of future skills demands and building competences to meet those demands;
- Harmonisation of education and training policy with other social and economic policies to create an effective bridge between the world of learning and world of work;
- Building solid bridges between the world of work and the world of learning, and engaging employers and workers in decisions about training provision and evaluation of outcome of education and training;
• Establishment of a viable, equitable and sustainable financing mechanism for education and training system;
• Emphasis on entrepreneurship;
• Provision of special measures to promote access and equality for people with disabilities, women, and disadvantaged groups;
• Continuous evaluation of the economic and social outcomes of training, and taking necessary corrective measures.

To keep training relevant, institutional and financial arrangements must build solid bridges between the world of learning and the world of work. Bringing together business and labour, government and training providers, at the local, industry and national levels, is an effective means of securing the relevance of training to the changing needs of enterprises and labour markets (ILO, 2010).

When implemented in a comprehensive manner, the above approach develops a virtuous circle in which more and better education and training promotes innovation, increases productivity and competitiveness, and thus results in the creation of not only more jobs but good quality and decent jobs.

The above recommendations are adapted from ILO policy framework on skills development as reflected in various publications: the Recommendation No. 195 concerning Human Resources Development: Education, Training and Lifelong Learning (ILO, 2005); the Conclusions on Skills for improved productivity, employment growth and development (ILO, 2008); A Skilled Workforce for Strong, Sustainable and Balanced Growth: A G20 Training Strategy (ILO, 2010); and Comparative Analysis of National Skills Development Policies: A guide for policy makers (ILO, 2013a).

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