Session 1.1
What Matters in Workforce Development?

SABER-Workforce Development Team
Education Department
Human Development Network
The World Bank

April 15-16, 2013
Jakarta, Indonesia
Session objectives

Participants will be introduced to:

– context for policy engagement on workforce development issues (WfD)

– concept of WfD and the nature of policy challenges in WfD

– a framework for engaging in dialogue on what matters in WfD
1. Context for policy dialogue
   - WfD challenges in the 21st century
   - Skills-related messages from the Jobs WDR
   - Engaging in country-specific dialogue on WfD

2. Clarifying WfD and nature of problems

3. Conceptual framing of dialogue on “What matters in WfD?”
WfD Challenges Not New... But Different

**Ancient concerns**
- Plato (427-347 BC)
- Imagined an Utopia with manpower planning

**21st century challenges**
- Demographics
- Globalization
- Technology
- Demand for skills
  - New, inexperienced workers
  - Multiple careers
  - Portfolio of competencies
Pakistan needs new capabilities, among them:

- machine-stitching
- injection-molding technologies
What does the WDR say on Skills and Jobs?

- Skills linked to living standards, productivity, social cohesion
- Skill mismatches abound
- Heavy investment in skill building not always the answer

Relative to other obstacles, managers of registered firms judge skills to be a growing constraint during the 2000s.

Change in relative skill constraint for country observations, ordered by income per capita.

Source: WDR 2013
What does the WDR say on Skills and Jobs?

- **Jobs needs skills**
  - numeracy and literacy; cognitive and social skills

- **Jobs pull skills**
  - job opportunities raise demand for education and skill building
  - role of policy to ensure that signals are transmitted correctly

- **Jobs build skills**
  - especially at entry into the labor market

- **But: Skills boost jobs**
  - countries undergoing urbanization and global integration
  - countries seeking to break out of low-productivity, low-skill traps
What is new? A Different Emphasis?

- Important impact of jobs on skills

- Differentiated approach according to job challenges
  - In some situations, skills supply not the bottleneck but existence of jobs;
  - In others, skill building for literacy, informal sector rather than national qualification frameworks

- Emphasis on making urbanization – and realization of agglomeration economies – work: knowledge spillovers significant
From High-Level Messages to Country-Specific Dialogue and Operations

Key Components of the Engagement with Partner Countries

Knowledge
Dialogue
Solutions

50,000+ feet
On the runway
25,000 feet
Gaps that Hinder Dialogue and Impact

“Elephant” gap
- Holistic framework for conceptualizing and understanding WfD

Evidence gap
- Skills profile
- Skills and outcomes
- Program impacts
- System performance in terms of WfD institutions, policies and practices

Roadmap gap
- Informed dialogue based on shared concepts and diagnosis
- Solutions plan based on agreed priorities and target outcomes
- Feedback loop through a do-to-learn and learn-to-do approach
Outline

1. Context for policy dialogue

2. Clarifying WfD and nature of problems

3. Conceptual framing of dialogue on “What matters in WfD?”
“... **Workforce development** refers to the education, employment, and job-training efforts designed to help employers get a skilled workforce as well as to help individuals to succeed in the workplace...” (USA National Governors’ Association).
Clarifying the Scope of Workforce Development

Skills toward Employment and Productivity (STEP) framework

Foundational skills through steps 1 and 2 are critical
Job-relevant skills in step 3 can be gained via multiple modalities, incl.:

- Pre-employment TVET at secondary and post-secondary levels
- Lifelong learning, second chance programs
- OJT, apprenticeships, informal training
- Training-related ALMPs
Nature of Workforce Development Challenges

Demand Side:
Enabling employers to communicate and meet skills needs

Supply Side:
Equipping individuals with job-relevant

Information
Finance
Governance

.... to overcome market and government failures in these areas?

Better WfD institutions, policies and practices!
Outline

1. Context for policy dialogue
2. Clarifying WfD and nature of problems
3. Conceptual framing of dialogue on “What matters in WfD?”
What Matters in Workforce Development?

 Depends on your perspective
Three Functional Dimensions Matter in WfD

**Strategy**
Aligning WfD to national goals for productivity

**Delivery**
Managing for tangible results on the ground

**Oversight**
Governing to achieve desired goals
Zeroing in on What Matters

• Experience of tiger economies

• Study visits by Bank staff

• World Bank analytical and operational experience

• Advisory panels

• Award-winning initiatives

• Literature review
Nine Key Policy Goals Matter in WfD

**Strategy**
1. Setting a strategic **direction** for WfD
2. Fostering a **demand-led** approach to WfD
3. Strengthening critical **coordination**

**Oversight**
4. Ensuring efficiency and equity in **funding**
5. Assuring relevant and reliable **standards**
6. Diversifying **pathways** for skills acquisition

**Delivery**
7. Enabling **diversity and excellence** in training provision
8. Fostering **relevance** in public training programs
9. Enhancing evidence-based **accountability** for results
What Aspects of WfD Institutions and Policies Matter?

Example from Dimension 1

Policy Goals

- Strategic Direction
- Demand-led Approach
- Critical Coordination

Assessed on such evidence as:

Clarity on the demand for skills
- Is there a formal assessment of critical skills constraints in the economy?
- What is the credibility of the assessment?

Role of employers
- What best describes the role of employers in WfD?
- What incentives for skills upgrading exist for employers?
What Aspects of WfD Institutions and Policies Matter?

Example from Dimension 2

- **Oversight**
  - Policy Goals
    - Funding
    - Standards
    - Pathways

Assessed on such evidence as:

**Funding stability and criteria**
- To what extent is WfD funding based on evidence of program effectiveness?

**Partnership with employers**
- Does funding by the government catalyze sustained involvement of employers?
What Aspects of WfD Institutions and Policies Matter?

Example from Dimension 3

Delivery

Policy Goals

- Diversity and Excellence
- Relevance
- Accountability

Assessed on such evidence as:

Non-state provision of training
- What is the scope of non-state provision??
- How is the quality of provision assured?

Public sector provision
- What incentives drive the behavior of public providers?
- Are providers’ priorities informed by assessments and dialogue with stakeholders?
Example of Diagnostic Results

Scoring rubrics

1. Latent
2. Emerging
3. Established
4. Advanced

Policy Goal

Strategic Framework
1. Direction
2. Priorities
3. Coordination

System Oversight
4. Funding
5. Standards
6. Pathways

Service Delivery
7. Diversity
8. Relevance
9. Accountability
Focus of SABER-WfD in relation to other analyses

More quantifiable aspects:
- Enrollments
- Types of skills
- Skills mismatch
- Skills gaps

Less quantifiable aspects:
- Institutions
- Policies
- Practices
- Implementation
- Values

SABER-WfD
The SABER-WfD Tool on “What Matters in WfD”

**SABER’s overall objective:**
- Help countries to examine and improve system performance

**Common approach:**
- Systematically document institutions, policies and practices
- Assess against evidence-based global standards

**Policy Domains in SABER:**
- **Workforce Development (WfD)**
- Others (e.g., teachers, assessment, ECD)

---

**Education Strategy 2020, published 2011**
Invest in people’s knowledge and skills to promote development
- By strengthening **systems** and building **knowledge** base;
- In part via **Systems Approach for Better Education Results (SABER)**
THANK YOU!

World Bank Team SABER-WfD:

Leader: Jee-Peng Tan (jtan@worldbank.org)

Members: Rita Costa, Ryan Flynn, Viviana Gomez, Kiong Hock Lee, Joy Nam, Brent Parton, and Alexandria Valerio