Doing More with Less:
How can Labour Market Policy support Economic Growth?

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Skills for Jobs

- **SKILLS DEFICITS:** Gaps and Shortages
- **HIGH SKILLS ‘EQUILIBRIUM’**
- **LOW SKILLS ‘EQUILIBRIUM’**
- **SKILLS SURPLUSES:** Unemployment/Under-Employment
Skills for Jobs: Key Indicators

SKILLS DEFICIT AREAS
Indicators:
- Low Education Levels
- High Skilled Occupations
- High Wages/Productivity
- High Unfilled Vacancies
- Immigration
- Low Unemployment Rate

HIGH SKILLS EQUILIBRIUM
Indicators:
- High Education Levels
- High Skilled Occupations
- High Wages/Productivity

LOW SKILLS EQUILIBRIUM
Indicators:
- Low Education Levels
- Low Skilled Occupations
- Low Wages/Productivity

SKILLS SURPLUS AREAS
Indicators:
- High Education Levels
- Low Skilled Occupations
- Low Wages/Productivity
- Emigration and/or
- High Unemployment Rate

DEMAND
Low
High

SUPPLY
Low
High
Create a Virtuous Circle

Prosperity
- Employment
- Productivity

Match/Mismatch (Skills and Jobs)

Skills Upgrading (Supply)

Ambition (Demand)

Skill Shortages and Gaps
Unemployment
Under-employed/Over-skilled
Migration

P U M A
We need the ‘Right Skills’: Skill Matching

- We need a better **match** between the skills we need and the skills we have got:
  - **Technical and Professional Skills**
  - **Transferable Skills**
  - **Employability Skills**

- We need to invest in **economically valuable skills** to:
  - fill **skill shortages** and **skill gaps**;
  - enable the **unemployed** access to **job opportunities**;
  - tackle **under-employment** amongst the highly qualified;
  - compete with **migrant workers**; and
  - prepare the **jobs of the future**
We need greater Employer Ambition

Transformational change is required

- In the end, skills are a ‘derived’ demand: we, largely, get the skills our economy deserves.
- The level/growth of economic activity and the balance of the economy drive overall skill demand but .......

- **Business Strategy matters above all:** product market strategies drive the level and type of employer’s skill needs and their utilisation in the workplace – we need more ‘economic pull’ from business.

  - Employer ambition is ultimately driven by the direction and quality of management and leadership (itself not always ‘world class’)

  - Skill levels need to be raised and effectively used in the workplace – Create a High Performance Workplace: HR and Learning/Development professionals are key to business and national success

- We need **more high value added businesses**; we need to **move up the value chain**; we need higher quality products and services; we need intense product, process and practice innovation. In short, we need **more high skilled jobs for high skilled people to do**
Labour Market Policy, The Recovery and Sustainable Growth

- Integrate Training and with Employment and Economic Development Policy
- Connect ‘Providers’ and the World of Work
- Establish Challenge, Vision and Measures of Success
- Develop the Tools: Effective Policy is essential
  - Beyond Public Funding: changing behaviour through Information, Incentives and ‘Nudges’
- Build Partnerships: good Governance is vital
- The Guides: read them and use them!
  - Putting in place jobs that last
  - Breaking out of policy silos