



OECD LACRP 4th Ministerial Summit on Productivity

**IMPROVING THE USE OF SKILLS TO BOOST
PRODUCTIVITY**

El Iza Mohamedou
Head of OECD Centre for Skills

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Mega trends are changing and increasing the skills needed for success in **work and life**

GLOBALISATION

More integrated world economy than ever

Emergence of global value chains, offshoring and outsourcing

Increased vulnerability of some workers

TECHNOLOGICAL CHANGE

Rapid development of new technologies

Emergence of new forms of work

Expansion of sources of learning, especially online

DEMOGRAPHIC CHANGE

Large expected decline in working-age population

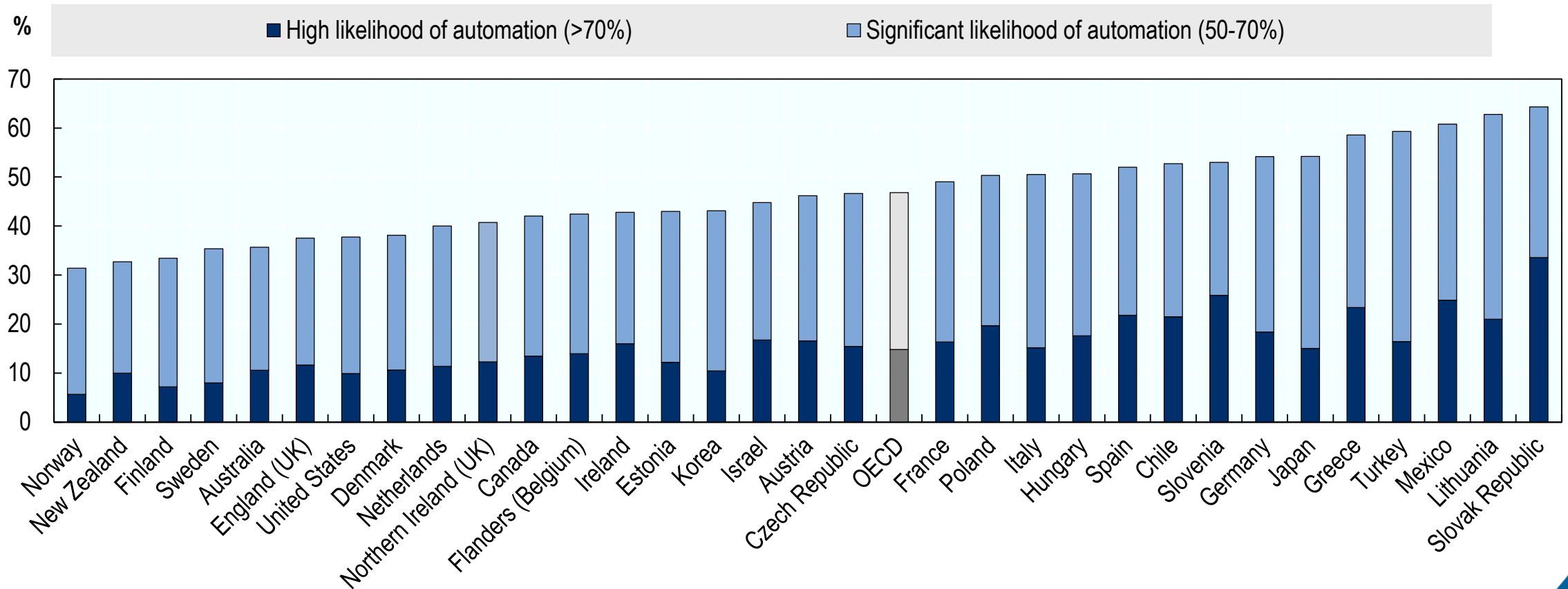
Important reallocations towards care services

Need to ensure youth have the right skills



A significant share of jobs is at risk of automation

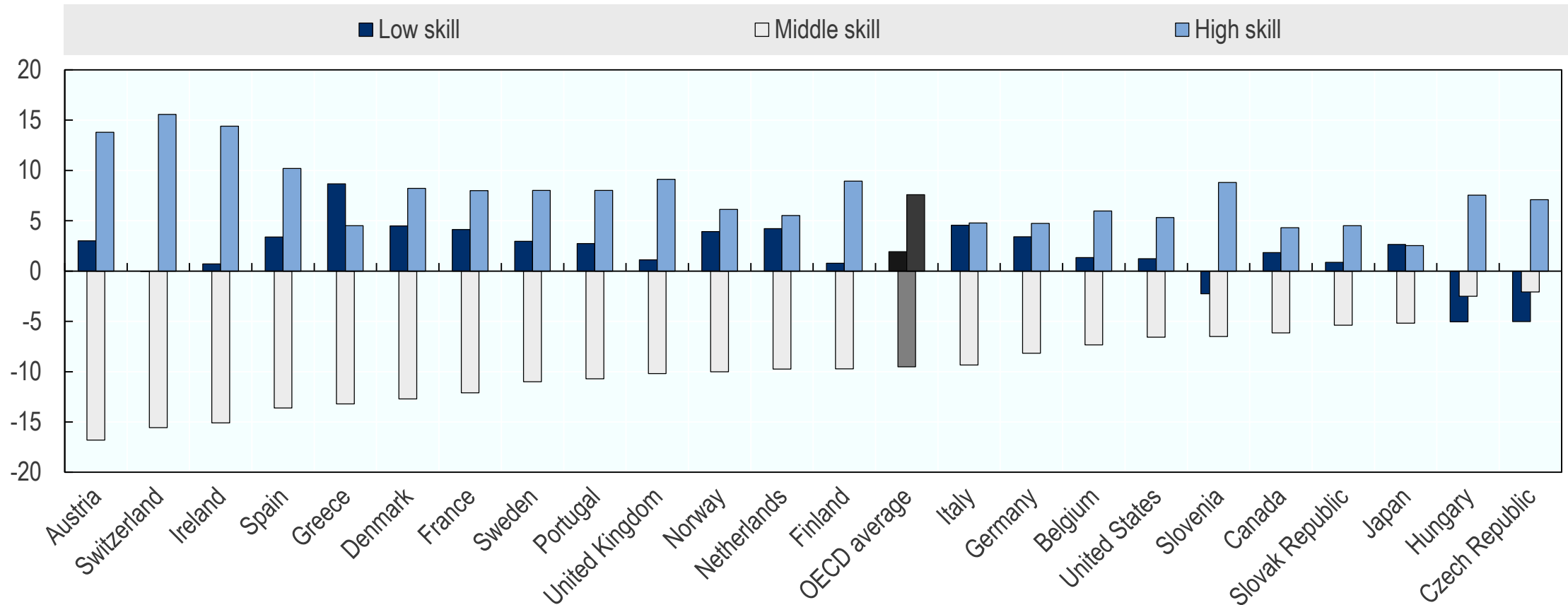
Jobs at risk of Automation: Share of jobs at high risk (>70%) of automation and at significant risk (50-70%)





.....which is hastening job polarisation

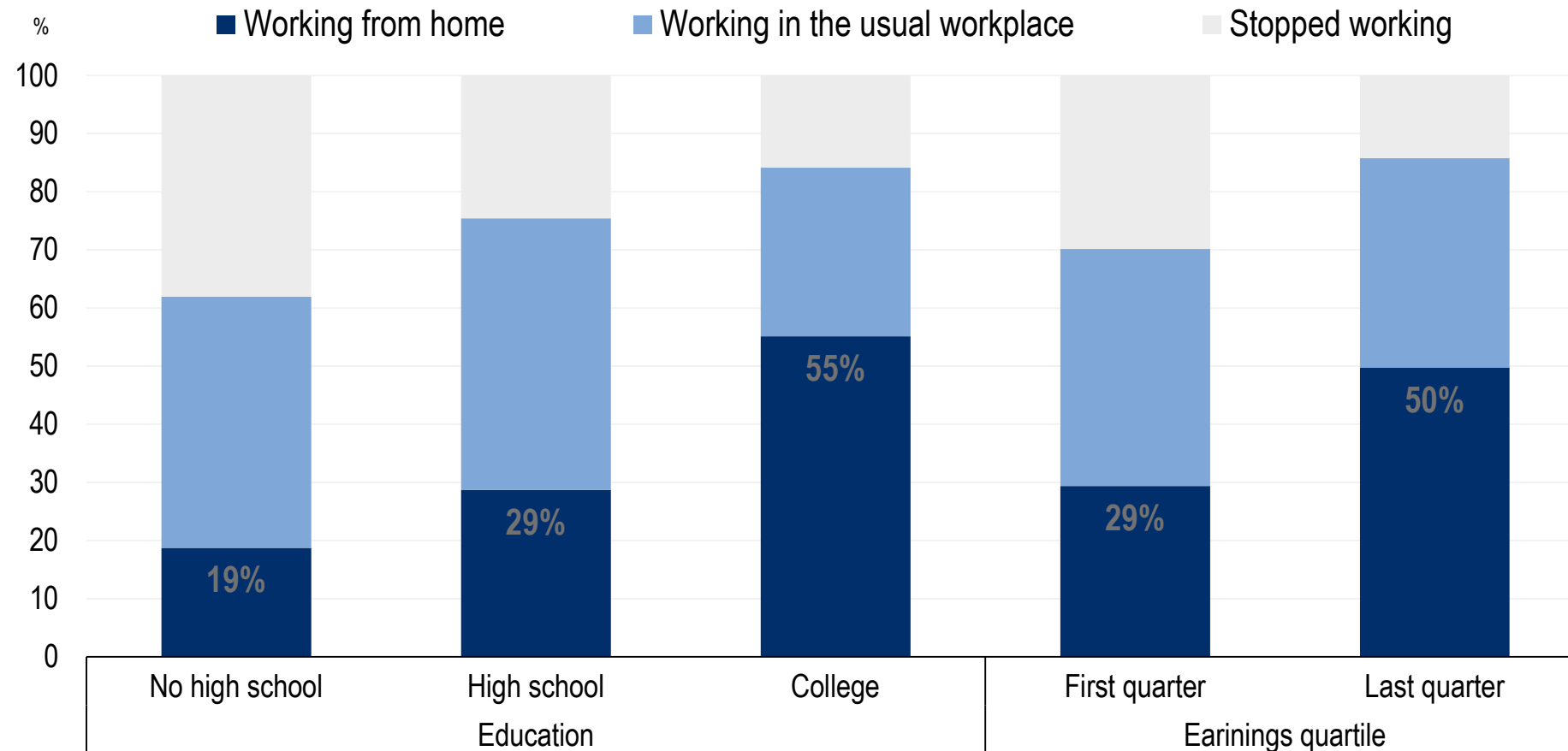
Job polarisation in the past two decades: %-point change share of total employment, 1995-2015





And COVID-19 further contributed to these inequalities

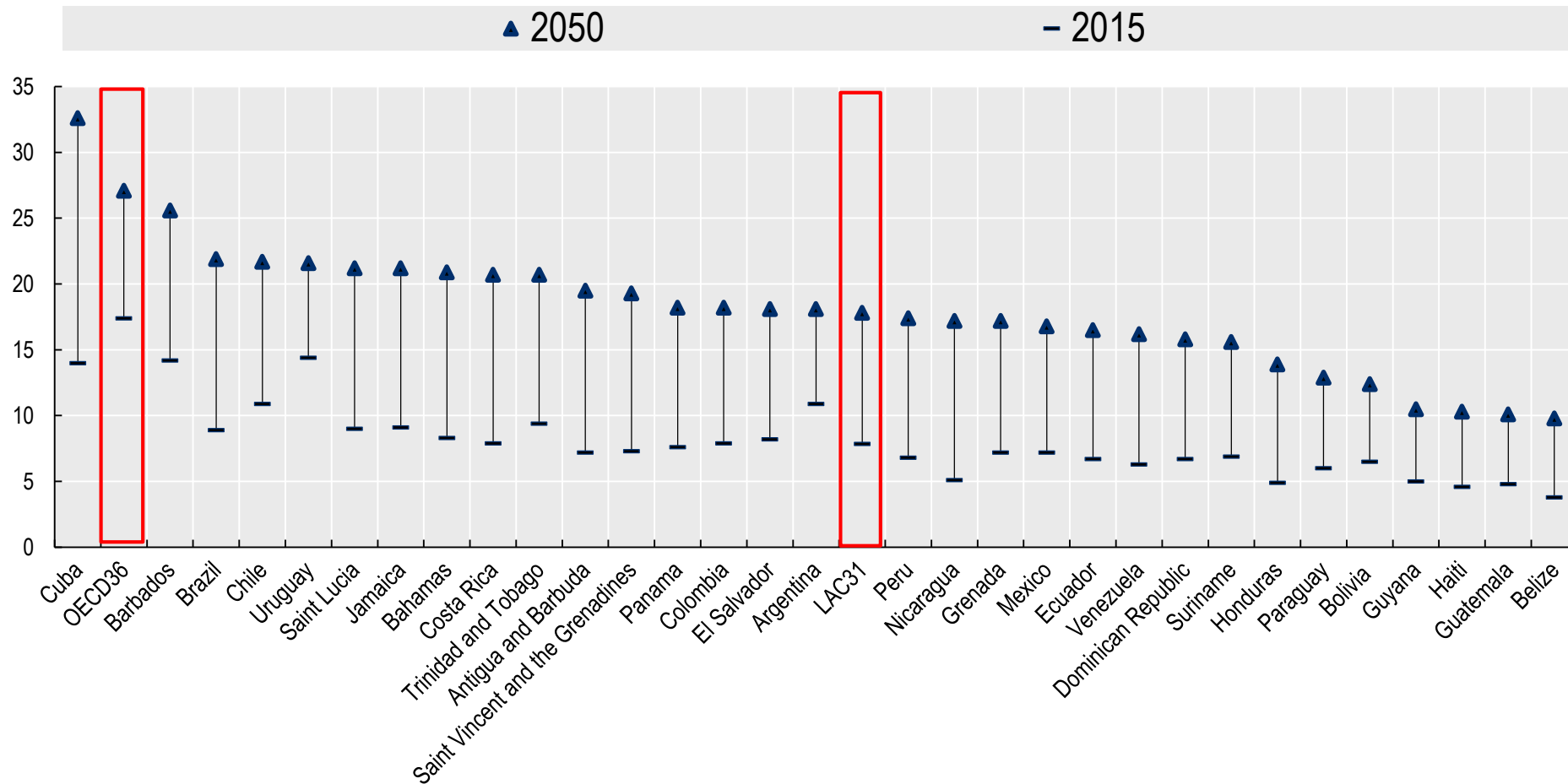
% of workers, March/April 2020, OECD Average





The population is ageing very fast in the region

Share of the population aged over 65, 2015 and 2050 (%)





Productivity is the engine of long-term growth

Why productivity matters?

1. Since 2014, LAC has experienced little to no growth
2. The region was the hardest hit by the pandemic in the developing and developed world, registering one of the world's deepest contractions
3. Productivity is a key factor to recover from COVID and to achieve long-term and sustainable growth
4. However, labour productivity in LAC shows reduced and persistently lower growth than advanced economies



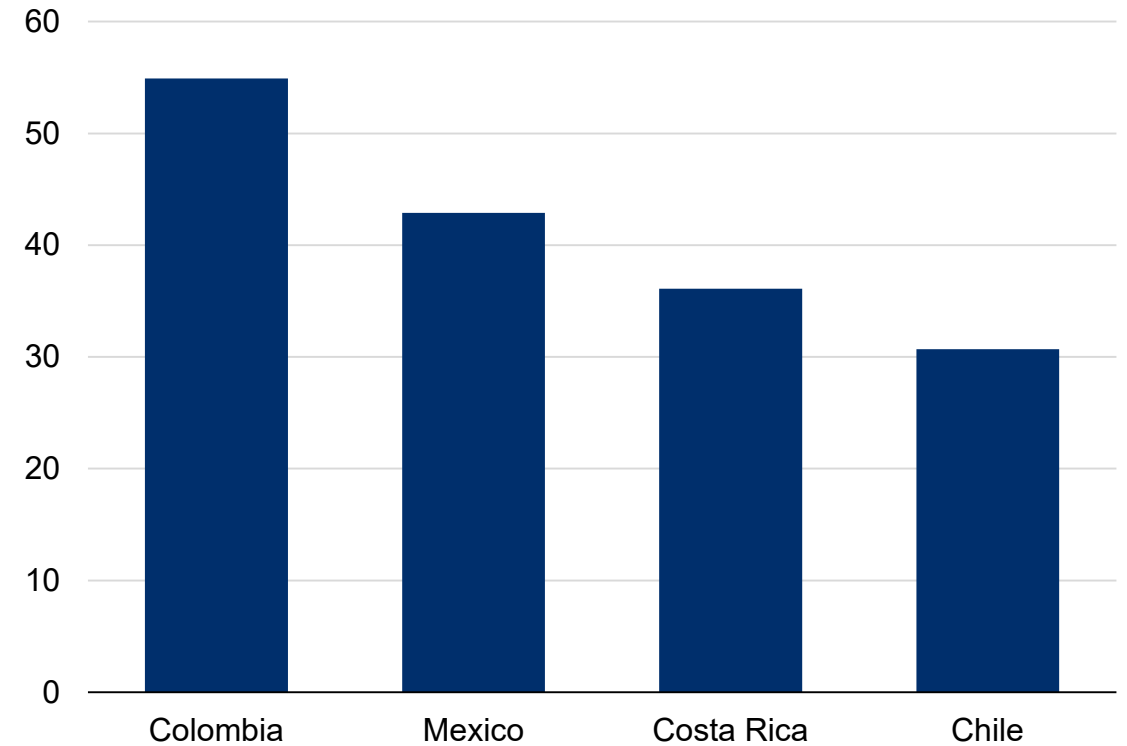


Skills matters for productivity

Why productivity is so low?

1. Lack of international integration and disconnection with global markets
 2. Poorly diversified productive structure
 3. Limited investment in technology-intensive sectors
- ...which results in low demand for skilled employment

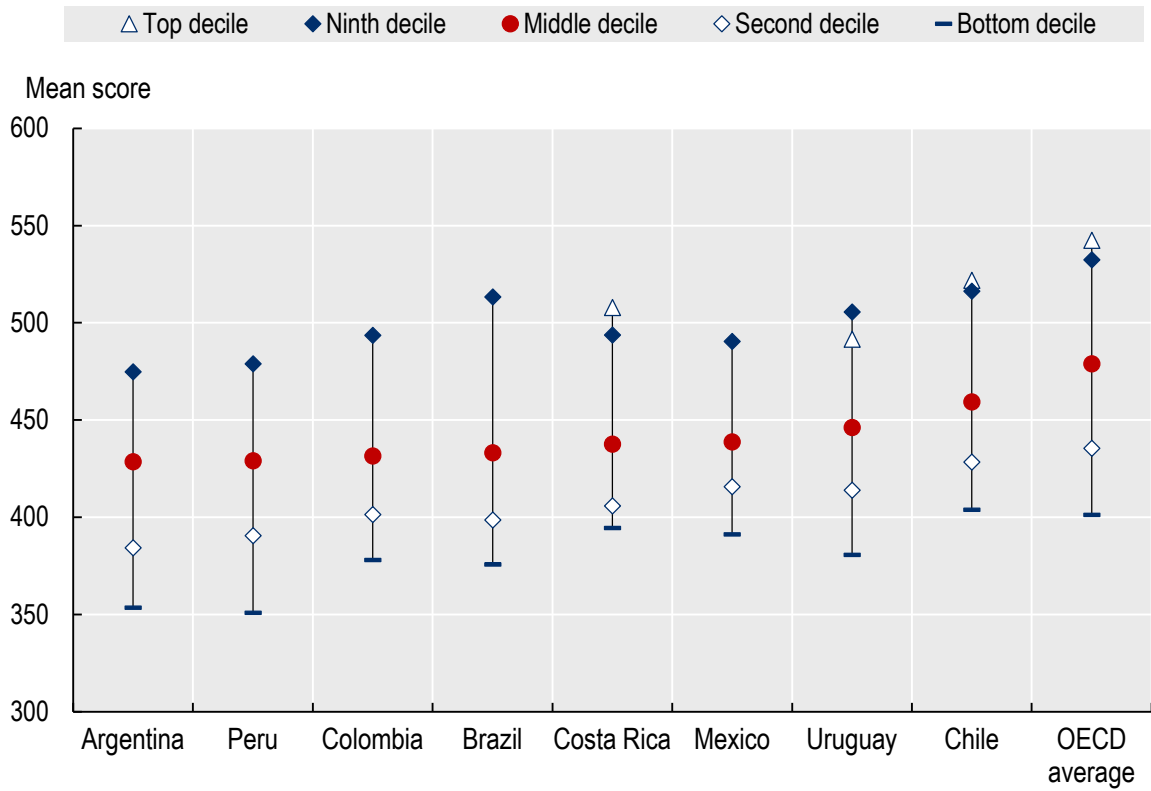
Percentage of informal jobs (2019 or latest)



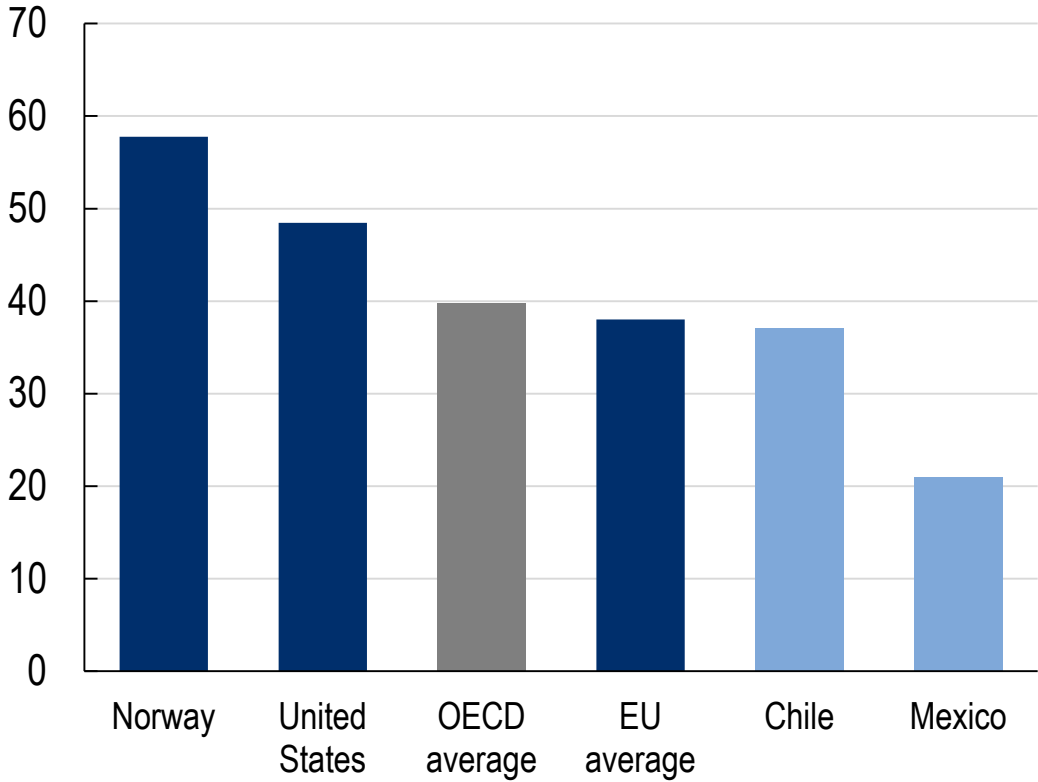


Student performance and participation rates in adult education and training are still low

Average PISA scores by level of vulnerability (2018)

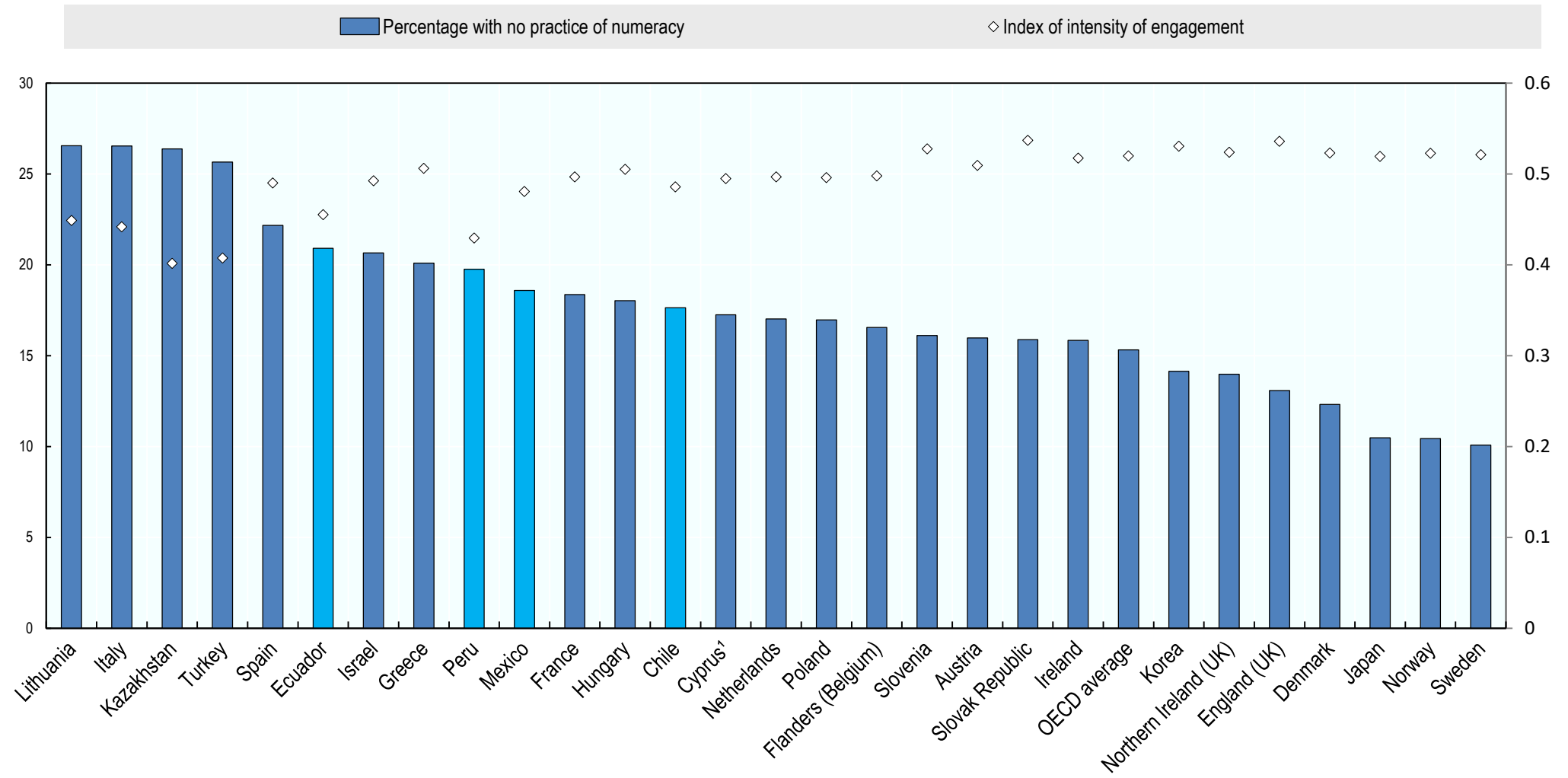


Percentage of 25-65 year old that participate in training (2012-2019)





Skills of workers could be used more effectively in workplaces



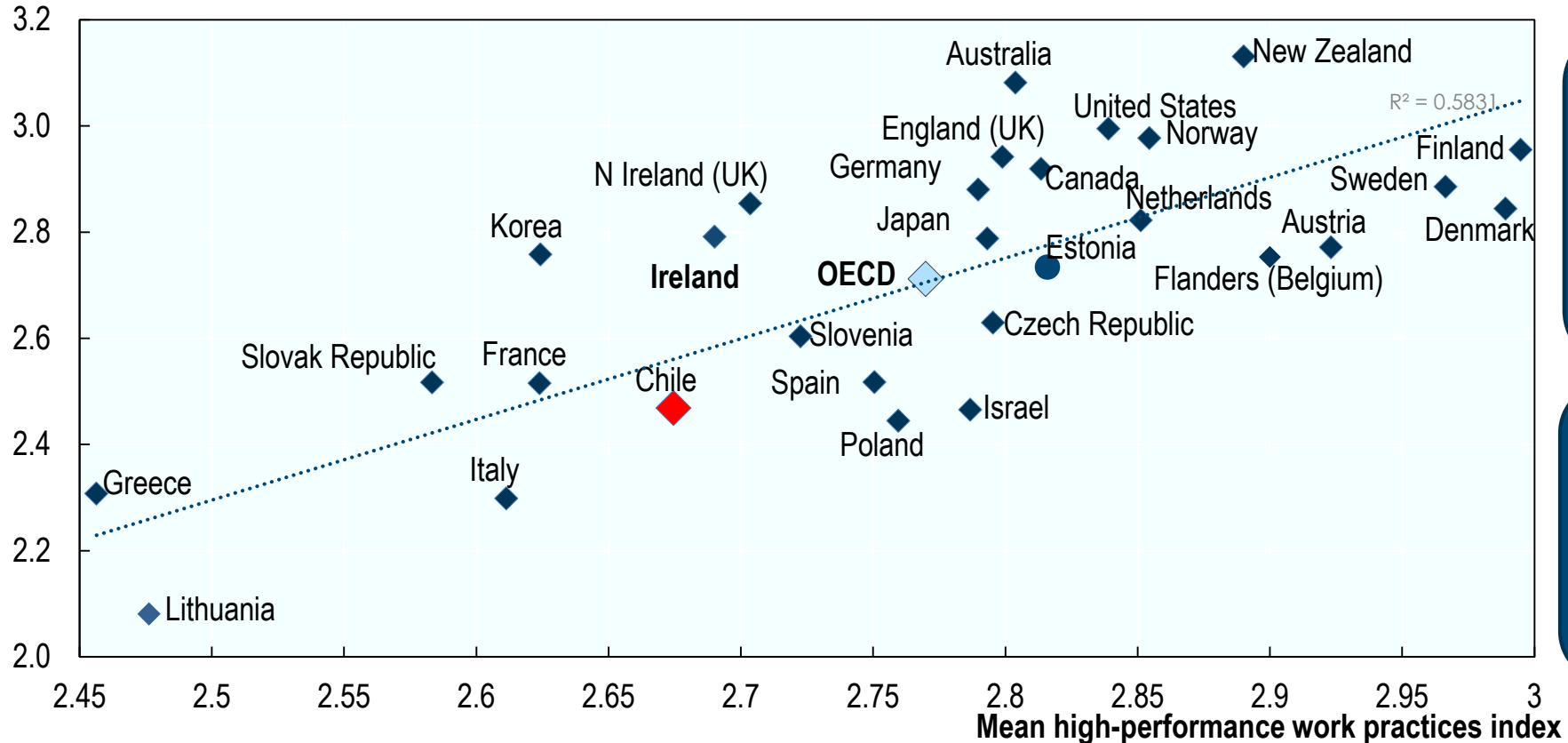
Source: OECD (2019), Skills Matter: Additional Results from the Survey of Adult Skills, OECD Skills Studies, OECD Publishing, Paris



High-performance work practices are a major driver of skills use

Skills use at work and high-performance work practices, PIAAC 2012, 2015, 2018

Reading at work index

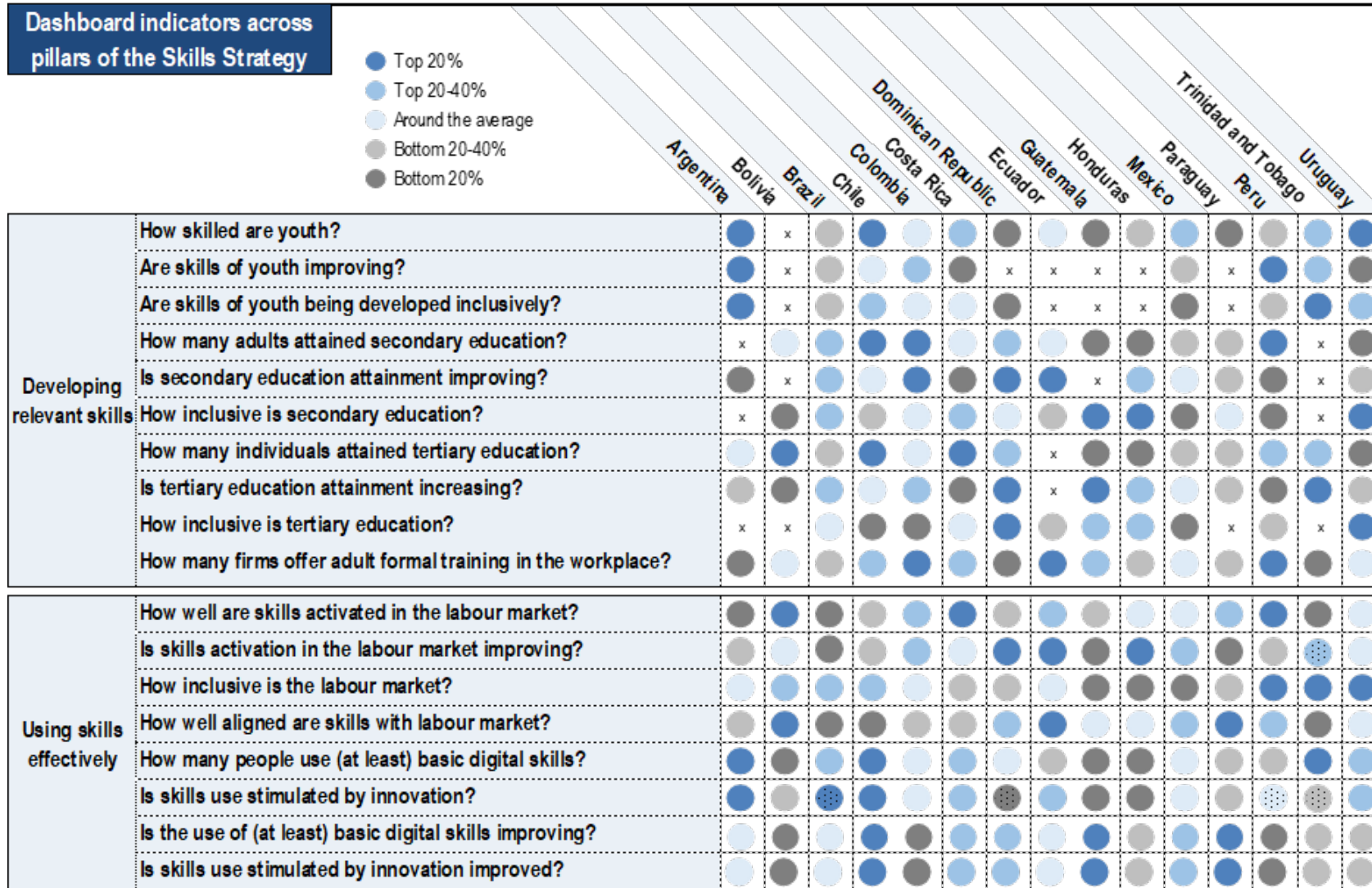


Organisation practices, such as:

- Teamwork
- Autonomy
- Task discretion,
- Mentoring, and
- Job rotation

Management practices such as:

- use of incentive pay,
- training practices, and
- flexibility in working hours





How to foster regional cooperation?

LAC can benefit from more regional cooperation

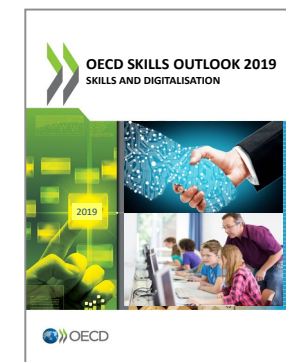
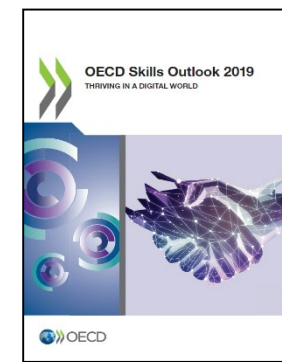
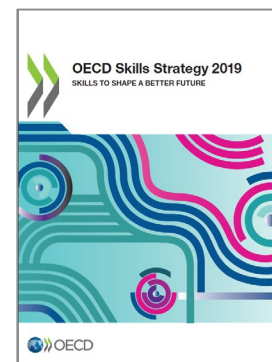
- Identify common opportunities, policy priorities and areas with the most potential to improve skills outcomes.
- Foster regional peer-learning opportunities
- Identify international good practices
- Strengthen stakeholder engagement to raise awareness among key actors and generate support for action to implement policy reforms.
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THANK YOU!

El-Iza.MOHAMEDOU@oecd.org

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