Skills, Not Just Diplomas

Findings from regional report on Eastern Europe and Central Asia (ECA) and ongoing World Bank work

Presentation at launch

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Lars Sondergaard, October 25, 2011

www.worldbank.org/eca/skills
The wake up call: supply hasn’t kept up with changes in the demand

Workers' skills had become a constraint on firm expansion by 2008. (percent of firms considering factor a 'major' or 'very severe' constraint)

Source: Turmoil at Twenty, World Bank, 2009
Surveys of firms highlight that soft skills are as important as other skills

Armenian firms in hospitality industry, 2007
What skills are we talking about?

**Cognitive**
- Involving the use of logical, intuitive and creative thinking
- Raw problem solving ability vs. knowledge to solve problems
- Verbal ability, numeracy, problem solving, memory (working and long-term) and mental speed

**Non-cognitive**
- Soft skills, social skills, life-skills, personality traits
- Openness to experience, conscientiousness, extraversion, agreeability, emotional stability
- Self-regulation, perseverance, decision making, interpersonal skills

**Technical skills**
- Involving manual dexterity and the use of methods, materials, tools and instruments
- Technical skills developed through vocational schooling or acquired on the job
- Skills related to a specific occupation (e.g. engineer, economist, IT specialist, etc)

Worker's Skill Set Combination:

- Cognitive Skills
- Non-cognitive Skills
- Technical Skills

Skill Set
Basic cognitive skills is a problem for many students

% of 15 year olds which are functionally illiterate

What about Soft skills? Technical skills?

Skills of adult population? Skills of tertiary graduates?

Source: OECD PISA 2009 (proportion of student scoring “below level 2” on reading test)
Available data focuses on education attained, not the skills acquired.

Education of recent graduates (Education of 25-34 year olds, 2006)

We have data on cognitive skills of age 15 but not beyond.
The population is projected to continue to shrink in many countries.

Source: UN (Population Division)
Two things are going to happen: fewer people will be around and more old people.

Example: Bulgaria (2005)
The implies activation inactive part of the population and raising skills of everyone.
Addressing the effect of aging needs action on three fronts

- Providing quality and relevant education
- Activating workers
- Keeping workers productive

Example: Bulgaria (2005)
Focus of World Bank’s work: How can the system’s performance be improved?

Refocusing what you see: System performance (skills developed)

Understanding what you don’t see:
- Policies
- Institutions
- Values

Focus of System Assessment and Benchmarking for Education Results (**SABER**)
Understanding what you don’t see: are the policies and institutions cutting-edge?

SABERs are being developed in a number of key thematic areas and piloted around the world.

Skills, not Just Diplomas points to three policy areas where ECA’s systems appear weak. I’ll focus on one of them today.
Impediment 1: darkness

Too many unknowns to pinpoint skills gaps

What works and what doesn’t work?

Is the situation improving or worsening?

No measurement of quality at tertiary level

No tracer studies

No measurements of non-cognitive skills

Five countries have never participated in international assessments

National assessments are primarily used to test student, not assess system

No measurement of skills obtained in adult education

Student’s perspective: what and where should I study?

Graduate’s perspective: I got the diploma but did I get the skills?
Example of important unknown

- There are around 35 HE institutions teaching economics in Kiev: 20 private and 15 public
  - Student’s perspective: which institution does a better job at teaching me the skills I need to succeed? Where should I go if I can’t get into the flagship institutions?
  - Employer’s perspective: which students outside of the prestigious institutions graduate with the right skills?
Example of important unknown (continued)

- There are around 35 HE institutions teaching economics in Kiev: 20 private and 15 public
  - Institution’s perspective: which of my programs are successful and which programs need tweaking/re-designing?
  - Policy maker’s perspective: which institution is performing well? Which institution need sanctions/rewards/support?
Report notes a couple of problems

- A lot of focus on the few excellent students
- Most countries use assessments to make decisions about students, not the education system itself.
  - When assessments are used to obtain system-level measures, they tend to be of poor quality and utility. E.g. highlight which school (or region) had the highest average score; rank schools by average score
To ensure a fair selection, you all get the same test. You must all climb that tree.
For data to have an impact, it needs to be analyzed, disseminated and used.

Performance-informed budgeting
- Identify weaknesses and design programs to remedy them
- Part of accountability framework
Example of using tests to shed light on systemic problems

Learning gap between Roma and non-Roma students, Serbia 2009

Source: Aleksandar Baucał (2010) analysis of PISA 2009; * statistically significant
How is the World Bank supporting strengthening education and training systems?

- Benchmarking policies: SABER
  (http://www.worldbank.org/education/saber)

-Providing ways to turn the lights on:
  - New survey instruments to measure skills, incl. socio-emotional skills, and links to socio-economic success and well-being
  - Tracking graduates using tracer studies
  - Building capacity to use assessments to determine overall system quality
Skills surveys of both cognitive and non-cognitive skills

Surveys in late 2011/early 2012. Results in August 2012

OECD
- AHELO (measuring skills of tertiary students)
- PIAAC (measuring skills of adults)
Example: Countries to emulate in terms of tracking graduates into employment

- Romania (first survey in 2010-11)
  - [http://www.absolvent-univ.ro/home.aspx](http://www.absolvent-univ.ro/home.aspx)

- Hungary (Graduate Career Tracking System starting in 2010)
  - [http://www.felvi.hu/pub_bin/dload/DPR/DPR_GraduateCareerTrackingInHungary.pdf](http://www.felvi.hu/pub_bin/dload/DPR/DPR_GraduateCareerTrackingInHungary.pdf)

- Italy (since 1998)

- Germany (since 2009/10); Holland (since 1989); Norway (since 1972)

  University Graduates’ Tracer Study Course (UNITRACE) (at University of Kassel)
Available at
www.worldbank.org/eca/skills
How can we help creating skills for growth?

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