ALIGNMENT OF LABOUR MARKET INFORMATION SYSTEM AND TVET POLICIES:
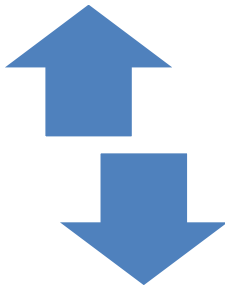
ASTANA, KAZAKHSTAN, 27-29, JULY. 2016

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I. Concept of Labour Market and LM Mismatch

❑ Labour market = Wage vs. Labour Demand, Labour Supply

❑ Labour market mismatch indicates a phenomenon where demand and supply of labour do not meet

Oversupply of Labour: graduates from higher education (BA, MA, Ph.D)

Undersupply of Labour: technician for particular industry (ex: electric, IT)

❑ Why a mismatch?

The employee qualifications such as education, skills, etc. do not meet job requirements.

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II. Causes of Labour Market Mismatch

❑ Uncertainty of World and Domestic Economy

❑ Rapid Innovation of Industry

❑ Structural Change in Workforce

❑ Inefficiency in Job Matching System

❑ Inefficiency of Manpower Planning

- Inflexibility in Labour Market

- Gap between Schooling and Industry

- Rigidity of Workers : specialization

- Oversupply of Graduates from Colleges

III. Labour Market Information System

- ❑ A set of institutional arrangements, procedures and mechanisms that are designed to coordinate the collection, processing, storage, retrieval and dissemination of Labour Market Information (ILO).

- ❑ Intended to maintain a balanced labour demand & supply for economic development

- ❑ Designed to provide various information on labour market such as labour force changes and characteristics, populations changes and characteristics, industrial structure and development, technological developments, wages, recruitment practices, employment, qualifications, experiences, training etc.

III. Labour Market Information System

❑ Users of LMIS: policy makers, HR and employment planners in Gov't, Employment services, TVET institutions, Employers and Employee Organizations, Students, Parents and Job Seekers

❑ In Korea, the 5-year economic development plans supported by man power planning, particularly, the timely manpower supply, played a critical role to the rapid economic development in the 1960s-1980s.

❑ Since the late 1990s, Korea has established its labour market information system.

IV. How to Develop LMI System ?

❑ Establish National Institutional Mechanisms/Forums to handle LMI, such as LMI Committee

❑ Build Partnerships with research institutions, HE, and Gov't depts. in generation of LMI and manpower planning

❑ Utilize records of labour administrative systems

❑ Use ICT technology to update automated DB

❑ Develop DBs such as Cross section data and Longitudinal data

V. Case of Korea
Main bodies of gathering LMI

❑Ministry of Employment and Labour (MOEL)

❑Statistics of Korea

❑Local Governments

❑National Research Institutes (KLI, KRIVET)

❑Private Research Institutes

V. Case of Korea Types of LMI

❑General Labour Market Survey Data

- Cross sectional data produced by Gov't

- Labour Demand Survey, Labour Force Survey

❑Longitudinal Labour Market data

- Panel data produced by Research Institutions, such as KEEP, WP, YP

❑Administrative Data

- National Employment Insurance Data

- National Pension Insurance Data

- National Health Insurance Data

VI. Malaysian Case: ICT for strengthening data-informed TVET

Labour Market Framework
Workforce Dashboard: Easy-to-retrieve and easy-to-read format for a quick snapshot of the country's labour market situation

Requirement: Labour Market Information/Indicators

- Traditional and forward-looking labour indicators e.g. demand-supply of human capital, time-to-fill, job creation, sector critical skills, salary & wages, etc.

Data Source

i. Economic Census
ii. Labour Force Survey
iii. Establishment Survey
iv. National Employment Return (NER)
v. Studies and Research (e.g. Sector Studies, Wage, Corridor, Skills)
vi. Research work by other organisations

LMIDW

- Once LMIDW is completed, it will be an important data source for the dashboard
- The existing functionality of LMIDW can be used to develop the graphic interface of the dashboard work prepared by WB

Dashboard

- Pilot through WB Project: Excel
- Subsequent stage: Interactive Graphic Interface

ILMIA Portal
-Dashboard:
• Core indicator
• NKEA
• Jobs
• Salaries & Wages
• Sector LMI
• State LMI
• Forward Looking
• Interactive Chart

www.ilmia.gov.my

-Link to website of EPU, DOS, PEMANDU, Talent Corp, Bank Negara, MIDA

Information and Analysis

- Dashboard outputs can be used to prepare reports and analysis on labour market

Outcomes

- Better insights into labour market issues
- Framework for determining supply and demand
- Further Initiatives for research on labour market issues

Source : Amar, A. B. (2015). Accelerating human capital development for an advanced nation. Presentation at UNESCO Asia Pacific Conference on Education and Training.

VII. Malaysian Case

Labour Statistics (LS) in Malaysia

- Number and characteristics of employed, unemployed and underemployed, including those in the informal economy and those relating to disabled workers
- Income from employment, hours work
- Number and characteristics of unfilled job vacancies
- Number and characteristics of migrants labour
- Details of training needs of the economically active population
- Number and characteristics of graduate
- Social dialogue and industrial relation – trade union membership, membership of employer's group, collective agreements, industrial disputes
- Breaches of labour law
- Social security
- Labour productivity, labour cost
- Occupational injuries and diseases
- Consumer prices and household expenditure

Sources Of Labour Statistics

- Population censuses and household-based sample surveys
- Establishment censuses and sample surveys
- Compilations from administrative records

Source : Amar, A. B. (2015). Accelerating human capital development for an advanced nation. Presentation at UNESCO Asia Pacific Conference on Education and Training.

VIII. Strategies to Improve LMI System aligned with TVET/HRD (1)

❑Tailor LMI to the needs of users

❑Diversify sources of LMI

❑Combine quantitative and qualitative LMI

❑Nurture intelligent users of LMI

❑Promote continuous improvements in data gathering

❑Develop national labour market policies based on LM analysis

- Employment : job information services, etc.
- Designing and implementing vocational training programs etc.
- Education : career information services, etc.

❑Assess the usefulness of LMI

❑Develop political and institutional support

IX. Recommendations for CA countries

❑ Set up a central warehouse to consolidate LMI /data base

❑ Develop capacities of HRs in LMIS by benchmarking best practices of WB, ILO, Korea

❑ Utilize LMI /data base for research and analysis

❑ Disseminate LM research, trends and issues

❑ Use LMI outcomes as a foundation for national TVET/HRD plans and strategies

❑ Engage ministries, agencies, and private organizations to meet their expectations

❑ Monitor LMIS for continuous improvement

Qs & As

Thank You !

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