

# OECD Local Skills Week

## Future-Proofing Local Skills Systems

15-17 February 2022

### HIGHLIGHTS



**NEW SKILLS AT WORK**

JPMORGAN CHASE & CO.

# We cannot think about skills without thinking locally

Communities everywhere need new skills. Employment and unemployment rates in the OECD as a whole have nearly recovered to pre-pandemic levels. Nevertheless, huge regional differences prevail with many places still experiencing higher levels of unemployment and subdued employment. At the same time labour markets are tightening, as employers cannot find the skills they are seeking.

Across OECD countries, more than 2 out of 5 employers state they have difficulties filling jobs. But employees also do not feel fully equipped: 35% of workers report that they do not have all the skills needed for their current roles. These skills gaps and mismatches lower productivity and hold back growth.

Structural changes underway in the economy, as well as global trends including the digital and green transitions, have a massive effect on skills needs. Automation and digitalisation, for instance, will significantly change the skills needs in roughly 1 out of every 2 jobs across the OECD. Those 14% of jobs that are most likely to disappear can vary tenfold from 4% to 40% depending on the region.

People require training, reskilling and upskilling now more than ever. They need access to these opportunities where they work and live, as only a small number of people move for training or job opportunities. When considering how to help workers transition from declining to growing occupations and sectors, the local industrial structure and skills ecosystem are important factors. Local communities and regions are best positioned to respond to this urgent call

for solutions that respond both to the needs of employees and businesses.

Reskilling and upskilling must be inclusive and oriented towards equity. Traditional barriers to participation in training need to be addressed; otherwise too many workers will be left behind. Those with higher skills are currently almost three times as likely to train as those deemed low-skilled. For example, if low-skilled adults were to train as much as high-skilled, an additional 55 million adults would need to participate in training every year.

Organised as part of the OECD's Local Employment and Economic Development Programme with the support of the JPMorgan Chase Foundation, the inaugural **OECD Local Skills Week** brought together over 1 000 participants from 98 countries. This includes 373 different cities with panellists such as Franziska Giffey, Governing Mayor of Berlin; Jules Pipe, Deputy Mayor of London; and Pau Solanilla, Commissioner for City Promotion, Barcelona. Over 40 other political leaders, employee representatives, and training practitioners explored the challenges and opportunities the future of work will bring to cities and regions.





**FUTURE-PROOFING ADULT  
LEARNING SYSTEMS IN CITIES  
AND REGIONS**

A POLICY MANUAL FOR LOCAL GOVERNMENTS



OECD

**OECD Reviews on Local Job Creation  
Future-Proofing Adult  
Learning in Berlin, Germany**



OECD

The OECD launched two reports during the week: **A Policy Manual on Future-Proofing Adult Learning Systems for Cities and Regions** and **Future-Proofing Adult Learning in Berlin, Germany**.



# Are cities prepared for the future of work?

In the aftermath of the COVID-19 pandemic, cities are not yet ready for the future of work – nor are their skills ecosystems. The skills needed in the wake of the crisis will not necessarily be the same as before (Lamia Kamal-Chaoui). And – more than ever – needs will differ across places. A local lens is essential for understanding skills dynamics and the skills needs of local labour markets.

Local governments are proactive in making skills policies successful. Local governments are often the first point of contact for local businesses, meaning they are well positioned to identify emerging skills needs and facilitate business-education partnerships. Increasing devolution can help create a more coherent adult learning system (Jules Pipe). Given the changing nature of skills, increased proximity and reactivity of local governments can enable a more responsive training offer, more closely aligned with local employers' needs.

## Skills and talent are critical factors for local resilience and competitiveness

Skills and talent are increasingly seen as the critical factor for the competitiveness of cities and regions. They need to invest in skills, as companies invest in places where the talent is (Pau Solanilla). Furthermore, the capability of cities to attract talent also depends on the quality of life of cities, which requires joined up policies including in the areas of urban planning, health policies and sustainable mobility.



## Local skills ecosystems need to be inclusive and accessible

Skills are a big part of economic inclusion. As economies are undergoing major changes because of the pandemic, digitalisation of the economy and the transition to the green economy, there is a risk that lower skilled workers are left behind (Vanessa Engel). Accessibility of skills development opportunities for all is part of fundamental labour rights (José Luis Rodríguez Díaz de León). Successful local initiatives that make a real difference are based on strong local partnerships including employers, government, education and training providers and the social economy.

## Supporting the digital and green transition through skills policies

Anticipating changes to the labour market and the evolving skills needs requires a greater understanding of industry-wide changes associated with the digital and green transition among other global trends. This requires pathways not only for the unemployed, but also for those still employed in declining sectors, linking climate change policies with local labour market and skills policies (Karin Ernlund). To address digitalisation, Bogotá established a new programme through a public-private partnership, which targets women to develop in-demand skills in the IT sector (Sebastian Marulanda). This addresses labour shortages in growing sectors while also promoting women's access in the IT sector.





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Director of the Centre for Entrepreneurship, SMEs,  
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**Pau Solanilla Franco**  
Commissioner for City Promotion  
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District Undersecretary of Economic Development,  
Secretariat of Economic Development,  
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Vice Mayor for Labour Market, Integration and Sports,  
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**Jules Pipe**  
Deputy Mayor for Planning, Regeneration and Skill,  
London, United Kingdom



**José Luis Rodríguez Díaz de León**  
Secretary of Labour and Employment Promotion,  
Mexico City, Mexico



**Eddy Adams**  
Urban Expert, Director, E.A.C Ltd.

**“ We need to help employees understand the cool part of taking action on climate change. And make employers understand what great opportunities there are.**

## **Karin Ernlund**

Vice Mayor for Labour Market, Integration and Sports,  
Group leader for the Centre Party in the Stockholm City Council,  
Sweden



# Meeting future skills needs locally: Revolution or evolution?

Local and regional officials need to be strategic in their approach to future skills, devising mid- to long-term strategies that support local economic development and job creation. The post-pandemic period is an opportunity to rethink many industry practices, particularly for the green transition. Efforts need to be people centred, promote pathways for skills transitions, and build partnerships to meet future skills needs in all types of communities (Karen Maguire).

## Skills start with people

Local skills strategies need to keep in mind that jobs are more than just pay, they help shape individual identities and have important psychological implications. Labour market shifts can influence the trajectory of an entire community. Moreover, there needs to be a focus on the unique selling points of humans over robots: creativity, empathy, problem solving, and teamwork (Stephen Craig). Supporting people in making successful transitions requires career guidance for future jobs and for transitions from one industry to another.

## Building pathways to meet skills needs

Local policy makers can work with business leaders to analyse industry trends and anticipate future skills needs, gaps and transferability. They can help create pathways for people before they become unemployed or their jobs obsolete. Reskilling employees is the most sustainable way to maintain a vibrant workforce with relevant skills (Jordi Arrufí Hernández). In Barcelona,

which added 35 000 ICT jobs since the start of the pandemic, ICT training and reskilling programmes, supported by public institutions and funded by the private sector, offer a critical solution to meet industry's needs.

Creating new career pathways includes thinking about skills transferability due to COVID-related burnout and the Great Resignation. As workers demand more from their employers and re-evaluate their career choices, the need for workforce boards is to help people transition to new opportunities (Ronald Painter). This applies to both essential and non-essential workers, as burnout affected workers whether or not their jobs were directly at risk.

## Local partnerships for greater impact

However, if local companies and policy makers do not address the core problem head on, it only displaces the issues from one region to another or from SMEs to corporations (Martina Le Gall Maláková). Changing skills needs have to be addressed in a comprehensive way and in partnerships. Because skills needs are changing at a rapid pace, it is crucial for cities and local economies to continuously assess their skills needs. This assessment should then drive the development of reskilling programmes to fill the new and emerging positions (Iordana Eleftheriadou). Inspiring local reskilling initiatives from the EU's Intelligent Cities Challenge programme show the value of reskilling partnerships. Strong partnerships build on collaboration between city governments, local businesses, educational and knowledge institutions, social partners and civil society and contribute to the resilience of local labour markets and their readiness for the jobs of the future.



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**“Talent is the new oil. In the era of the knowledge society and the digital economy, we have to convert cities into great learning communities.**

**Pau Solanilla Franco**

Commissioner for City Promotion,  
Barcelona, Spain





# Preparing Generation Z for the jobs of today and tomorrow

Young people of all backgrounds and circumstances should have access to relevant information to guide them. Support for successful transitions into and within the labour market helps young people not just in the next 10 months, but also in the next 10 years. Local businesses are a core partner in responding to these needs and investing in their future workforce. Local government can play a pivotal role in building local partnerships with firms.

## Challenges arise when young people transition into their first employment opportunity

Initial work experience is an important element of young peoples' transition into working life. It is important for youth that early career opportunities provide a living income, stability and professional development (Ranita Jain). Early work experience complements education and training by giving youth the opportunity to put into practice skills learned in the classroom. Vocational education and training (VET) and internships are tools to acquire such in-demand workplace skills.

Young people engaged in VET and internships, however, often face difficulties that require policy attention. VET, for example, often remains undervalued (Jacqueline Tanzer). Inaccurate perceptions on the quality and pay of work opportunities linked to VET persist. Internships, although highly beneficial to obtain early work experience, are frequently unpaid. Pay requirements for internships promote early labour market learning as an opportunity for youth of all income groups (Andrea Bittnerová). Volunteering

can also be a way for youth to gain experience, though employers can do more to recognise and value these activities.

## Businesses can offer guidance and adapt opportunities during transition

The private sector can do more to support a successful and fair transition to the labour market. Mentorship, in-work training and better working conditions empower young people to advance in the labour market. In fact, firm practices that meet youth needs are also good for business (Gabriel Petrus).

For example, the International Chamber of Commerce's (ICC) Centres for Entrepreneurship pair young entrepreneurs with mentors to provide coaching. Companies can also complement education through providing work-based training, for example on relevant ICT skills. Social enterprises can play a role by including youth-tailored training and coaching within their activities. Moreover, the private sector can also work with local governments to generate more opportunities for youth to acquire core digital skills (Inés Temes Fuentes). In Spain, for example, Fundación Telefónica is committed to training in the technologies demanded by the labor market through Campus 42.

## Local governments can help bridge the gap between education and work

Local governments can find solutions by forging partnerships with youth organisations, local employers, schools, universities, VET and other training providers and the social economy. For example, in Barcelona's Professional Life programme, the municipality works with education providers to provide career advice to



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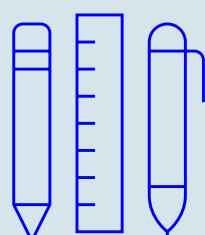
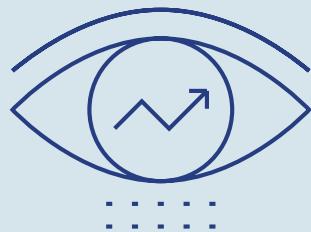


**Miguel Morilla Hernández**  
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Spain



**Rokas Morkunas**  
Policy Manager, Business at OECD (BIAC)

young people (Raquel Gil Eiroá). Work with youth organisations ensures that the voices of young people are heard and used in the development of policies and programmes. Youth organisations can also play an important role in reaching out to marginalised young people (Miguel Morilla Hernández).





# New data and methods to meet local skills needs: Information, intelligence... (in)action?

The demand for skills is constantly changing, and the pace of this labour market transformation is picking up. Employers expect workers to develop and master new skills. But how do workers know which skills to develop and where can they find guidance on career changes? While the challenges for local skills policies have become more profound, so have the tools that can inform policy. New data and methods offer an unprecedented richness of insights on local skills needs and possible career transitions, enabling targeted local skills policies and labour market forecasts.

## Education? Skills are what matters

In the past, the public discourse on human capital focussed on education. However, skills offer a more suitable measure of workers' capabilities. With the increasing availability of large data sets on occupations and the tasks they entail, identifying and classifying skills has become an easier task.

New evidence also points out that the full value of an individual's skills materialises with the right co-workers. Skills complementarities between workers specialised on specific tasks raise their respective productivity, much like an orchestra that brings to perfection the sounds of different musicians (Frank Neffke).

## Big data makes career guidance and job search more effective

The labour market consists of a network of occupations which are linked by common skill requirements. Delineating clusters of 'similar jobs' can support guidance on career pathways. For instance, in overlaying certain clusters with the risk of automation, policy makers can identify viable transitions, based on skills similarities, for workers at greatest risk of displacement (Cath Sleeman).

More online data on job vacancies is available than ever before. Such data offers timely intelligence on the changing demand for jobs and skills in local labour markets. It also provides information on the job search preferences of individuals and helps them find jobs in a given location. When the pandemic started, people started casting their nets more widely in terms of the types of jobs, often searching for all available jobs in a given location (Pawel Adrjan).

## New data informs decisions for companies, training centres and regions

Increasingly, public employment services also leverage the power of big data and artificial intelligence to tailor their services to local conditions. By combining large data sets on local labour demand and firms' skills needs, they can: i) support the matching between job seekers and employers; ii) develop specific training opportunities that can address firm needs; and iii) equip job seekers with highly sought after skills (Matthieu Teachout).

While local labour markets differ in the challenges they face, they still can learn from each other (Miriana Bucalossi). Sharing the tools and methods to produce regional skills forecasts enables regional and local policy makers to benefit from each other's experience.



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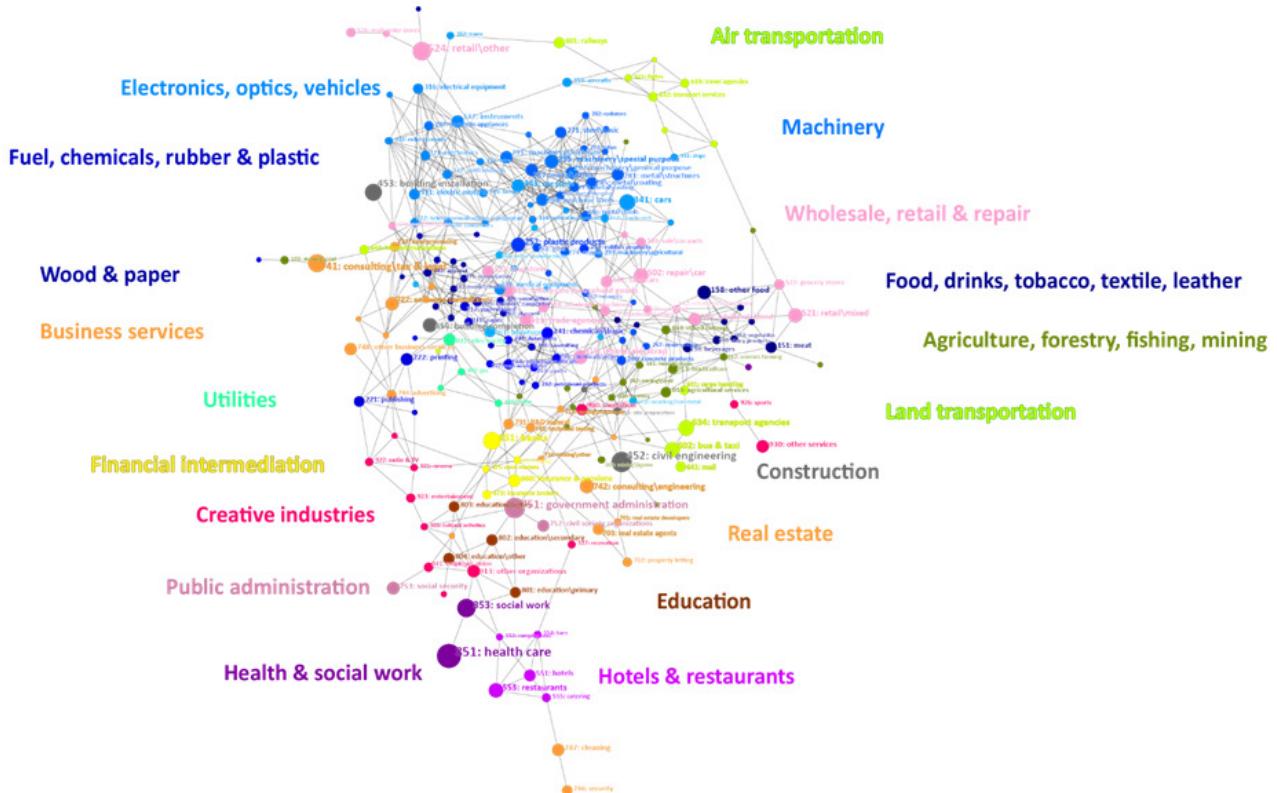
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## **Lukas Kleine-Rueschkamp**

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## Labor markets as a network of human capital linkages



Frank Neffke, Rethinking human capital, 16 February 2022

# Promoting inclusion through skills policies: What works locally?

In the coming years, labour markets will face significant challenges. In this context, re- and upskilling of adults is an urgent priority for all at national, regional and local levels. To turn challenges into opportunities and to help match the supply of local skills with changing skills demands, there is a need to create adult learning systems that are inclusive and provide clear re- and upskilling pathways for all individuals in need of training.

## Those with weaker labour market attachment tend to be underrepresented in adult learning

Two in five adults across the OECD participate in education and training in any given year. Despite their need for education and training, evidence shows that groups most in need of training often participate the least. For example, only around 20% of adults with low skills participate in adult learning, while the participation rate for adults with a medium level of skills is almost double that rate and triple that rate for adults with high skills. The obstacles for participation in training include a lack of time and resources, as well as not having the right information or incentives about where to go and in what type of skills to invest.

## Local skills policies are critical to reach the most vulnerable

While national skills policies set the frameworks, it is at the local level that policies can effectively reach the most vulnerable. The community-based nature of many forms of adult learning often makes it possible to integrate learning elements

in locally-led initiatives. Local governments can work with small- and medium- sized enterprises to raise awareness of the needs and opportunities and tailor training offers together with local training institutes. Local social economy actors may support outreach to the most vulnerable and provide opportunities to develop job readiness skills among those who struggle with traditional ways of learning.

## Peer learning helps cities and regions to share knowledge, identify best practices and test innovative solutions

While each city or region's specific challenges are different, peer-to-peer learning can help them share knowledge, compare different approaches and identify best practices for helping the most vulnerable (Silvia Ganzerla). The exchange with peers helps them to build capacity, motivate local improvements and inspire testing innovative solutions, such as those featured in the OECD's Future-proofing Adult Skills Learning in Cities project.

During the OECD Local Skills Week this was exemplified with five innovative initiatives and programmes from across Europe. [ReDi school in Berlin \(Germany\)](#) aims to create "win, win, win" situations through supporting refugees and migrants to find jobs in the German tech sector, which is desperately trying to fill vacancies. This also helps local authorities in integrating migrants faster and into better jobs (Anne Kjær Bathel).

Similar "triple-win" situations are created by the other programmes and initiatives presented. [Spången](#) in Stockholm (Sweden) addresses labour shortages in the care sector. As a job rotation programme, it supports both current care sector employees with upskilling opportunities, as well as long-term unemployed with work experience and workplace training through temporary positions (Lena Forsgren).



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“Great ideas come from organizations that understand their local population and propose innovative solutions that can be scaled.

**Hanka Boldemann**

Executive Director Global Philanthropy,  
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**BRIDGE** targets young people in a disadvantaged neighbourhood of Rotterdam (Netherlands), through providing career guidance and job start guarantees to support them in finding vocational education and training opportunities in growing sectors such as the tech, care and logistics sector (Vildan Ekiz).

**Urban growth Vantaa** (Finland) targets small and medium-sized enterprises, supporting both business to grow and remain competitive and employees to gain new skills. The focus is on employees who are low-skilled or have outdated qualifications, as the number of low-skill jobs

and employees with only basic education in Vantaa is high. Low-skilled workplaces and an under-educated workforce can cause risks to companies' competitiveness and thus to the local economy (Laura Erkkilä).

The **GIVE** project is a cross-regional and cross-country project. It aims to multiply the lessons learned by existing vocational education and training (VET) programmes in engaging disadvantaged groups (e.g. migrants, school dropouts and people with a disability) in VET and to help VET students regardless of background realise their potential (Paolo Nardi).



## Future-proofing Adult Learning in Cities project and case studies

With over 40 examples so far, the Future-proofing Adult Skills Learning in Cities project presents innovative initiatives and programmes from cities and regions around the world that emphasise inclusivity, meeting employers' skills demands and creating strong local skills ecosystems.

[www.oecd.org/cfe/leed/future-proofing-adult-learning-cities/](http://www.oecd.org/cfe/leed/future-proofing-adult-learning-cities/)





# Future-Proofing Adult Learning in Berlin (report launch)

After a long period of growth that led to the lowest unemployment rate since German reunification, Berlin's labour market has tightened significantly. Recent employment growth – especially in the digital and tech industries – has concealed the lack of qualified workers that are left to fill a growing number of job vacancies. These labour market developments could inhibit future economic growth in Berlin, as the employment growth in Berlin is masking the skill shortages it faces (Sandra Trommsdorf).

## Berlin to develop an overarching strategy for adult-learning

Despite the need for workers to have the right skills for the labour market today and tomorrow, participation rates in adult learning are currently low in Berlin. Franziska Giffey, the Governing Mayor of Berlin, emphasised that adult learning has an important role to play in responding to the changing needs of the labour market. The majority of workers look for employment close to their place of residence, and adult learning systems must therefore respond to local training needs (Nadim Ahmad). While Berlin does not yet have an overarching strategy for adult learning, the city is working on one. The OECD Report on Future-Proofing Adult Learning in Berlin (Germany) can serve as a foundation for these efforts. The report analyses strengths and bottlenecks in Berlin's adult-learning system and highlights the importance of developing a long-term vision for continuing education and training that brings together the public and private sector with education and training providers as well as the social economy.

## Adult-learning in Berlin needs to be co-ordinated across policy portfolios

Many promising adult learning offers exist in Berlin, but they are often fragmented and lack visibility. Co-ordination between different government areas in Berlin is therefore important. Existing structures can be leveraged for the many actors in adult learning to work better together (Margrit Zauner). While many training offers exist, there is a need for a common platform and individualised support (Anke Döring). Going forward, this could be achieved by an even stronger co-operation between the Senate Department for Labour, which is responsible for work-related training, and the Senate Department for Education, which is responsible for general adult education (Ulrich Raiser). For example, a greater focus on teaching transversal skills will not only prepare Berliners for the labour market, but also benefit them in other areas of life.

## Inclusive adult learning offers help to increase participation rates

Adult learning offers for some of Berlin's vulnerable groups are already advanced. For example, Berlin's Centre for Basic Education targets functionally illiterate adults with a range of learning offers. On the other hand, learning options for the diverse group of migrants are less well developed. While migrants in Berlin are more likely to have a university degree than the average resident, there are many obstacles in the recognition of credentials and degrees acquired abroad (Christian Pfeffer-Hoffmann). Newly-arrived refugees lack "one-stop shops" that offer language courses, work-related training and general labour market guidance. Integrating existing offers and fostering co-operation and learning between public and private institutions is key to address the challenges ahead (Hanka Boldemann).



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Governing Mayor,  
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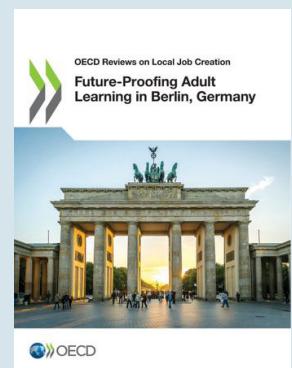
**Nicola Brandt**

Head of the OECD Berlin Centre, OECD

**“Lifelong learning enables future  
prospects and self-determination - and is a  
location advantage for our local economy.**

**Franziska Giffey**

Governing Mayor  
Berlin, Germany



# The way forward: Strengthening local skills partnerships

Adult learning systems differ significantly across OECD countries. A common feature is their complexity and fragmentation with regard to who is involved and the different responsibilities, which can lead to inefficiencies. Addressing this challenge requires strong partnerships among employers, learning and training providers, local governments and social partners. Such partnerships are the backbone of local skills ecosystems and consider both skills supply and demand, connecting training with job opportunities and ongoing professional development (Denis Leamy).

## Reskilling and upskilling as a collective responsibility

Across OECD countries, skills mismatch is widespread: 35% of workers report they do not have all the skills needed to do their jobs, while 42% of employers state that they have difficulties filling jobs. Yet, one cannot expect the educational system alone to understand or be responsive to such evolving labour market needs unless employers join the effort. That requires a paradigm shift to see education as a collective responsibility (João Santos).

For displaced workers in Vienna (Austria), this is achieved through the so-called labour foundations, where the local public employment service collaborates with the Vienna Employment Promotion Fund (WAFF) and businesses to train unemployed people within a company to address labour shortages in growing sectors, such as the green economy (Christine Juen).

## Feedback loops between industry and education to guide training

Indeed, if skills mismatches are partly due to the rapid rate of change of skills demanded, feedback loops between industry and education are required for continuous upskilling. This is especially true in the technology industry, a sector dependent on life-long learning and where there is a perpetual need of upskilling by nature (Bob Savage). In facilitating public-private partnerships between training providers and employers, local government can align stakeholder objectives, design better training plans, regulate the training offers, all while keeping in mind the diversity of local enterprises.

## Scaling up local initiatives that work

There is a convincing case for skills development policies to be bottom up, to capture the motivation of local actors and be responsive to their needs. Moreover, it is important to foster the exchange and peer learning between cities and local government, both on the national and international level, as they learn much from each other (Sara Hoeflich de Duque). Local initiatives should not be fragmented boutique efforts. Given the pervasiveness of current and future labour market structural changes, skills strategies need to be systemic in nature and scalable. In New York City, for example, there are currently 300 000 job postings and as many people unemployed, but they don't match (Kathryn Wylde).





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Deputy Secretary-General, OECD



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Ambassador, Permanent Representative of Ireland to  
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**Kathryn Wylde**  
President & CEO, Partnership for New York City,  
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**João Santos**  
Senior Expert, European Commission



**Bob Savage**  
Vice President, Site Leader Dell Technologies Cork  
Campus and Chair of The National Skills Council,  
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**Christine Juen**  
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**Sara Hoeflich de Duque**  
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Counsellor/Analyst, Local Employment, Skills and  
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## OECD Local Development Forum 2022: Better strategies for stronger communities

OECD Local Skills Week was an opportunity to discuss the challenges that lie ahead for local skills systems in responding to constantly evolving labour markets and discuss successful local initiatives in addressing them (Yoshiki Takeuchi). One important opportunity to continue this exchange between governments, business leaders, employee representatives, and workforce development professionals is the annual **OECD Local Development Forum**. The next edition on 15-17 June 2022, “Better strategies for stronger communities” will be hosted in Cork, Ireland (Gerard Keown).



**In partnership with**



## **About the centre for entrepreneurship, smes, regions and cities**

The OECD's Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) provides comparative statistics, analysis and capacity building for local and national actors to work together to unleash the potential of entrepreneurs and small and medium-sized enterprises, promote inclusive and sustainable regions and cities, boost local job creation, and support sound tourism policies.

The mission of the Local Employment and Economic Development programme (LEED) is to build vibrant communities with more and better quality jobs for all. Since 1982, the Programme has been supporting national and local governments through tailored reviews and capacity building activities, as well as research and good practice reports on innovative approaches to local development.

This event is part of the OECD Local Development Forum, a network of thousands of individuals worldwide, united by their shared commitment to making their communities more resilient, inclusive and sustainable. It counts members from over 70 countries, representing city, regional and national governments, employment and training agencies, chambers of commerce, social innovators, start-ups, businesses and NGOs. The Local Development Forum is a place for peer learning and dissemination of local innovations and best practices at the global level.

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